

**UNIFIED SCHOOL DISTRICT NO. 263  
MULVANE, KANSAS**

**FINANCIAL STATEMENT  
JUNE 30, 2021**



**UNIFIED SCHOOL DISTRICT NO. 263**  
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**JUNE 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

**Board of Education  
Unified School District No. 263  
Mulvane, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 263, Mulvane, 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 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider 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.

**Board of Education  
Unified School District No. 263**

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

As described in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 263, Mulvane, Kansas**, 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 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse 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. 263, Mulvane, Kansas**, as of **June 30, 2021**, or changes in financial position and cash flows thereof for the year then ended.

*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. 263, Mulvane, Kansas**, 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 1.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the 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.

**Board of Education  
Unified School District No. 263**

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 financial statement as a whole, on the basis of accounting described in Note 1.

The 2020 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2020 basic financial statement upon which we rendered an unmodified opinion dated December 2, 2020. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. 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 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021, on our consideration of **Unified School District No. 263, Mulvane, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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. 263, Mulvane, Kansas'** internal control over financial reporting and compliance.

***BFR CPA, LLC***

BFR CPA, LLC  
December 7, 2021

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SUMMARY OF CASH RECEIPTS, EXPENDITURES,**  
**AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 0	\$ 11,911,652	\$ 11,911,652	\$ 0	\$ 0	\$ 0
Special Purpose Funds							
Supplemental General	588,525	0	3,789,473	3,957,917	420,081	0	420,081
Preschool-Aged At-Risk	0	0	94,634	94,634	0	0	0
At Risk (K-12)	0	0	1,409,435	1,409,435	0	0	0
Bilingual Education	0	0	24,366	24,366	0	0	0
Capital Outlay	1,446,584	0	1,739,420	1,253,451	1,932,553	0	1,932,553
Driver Training	60,756	0	15,000	11,884	63,872	0	63,872
Food Service	239,961	0	1,109,237	893,091	456,107	0	456,107
Professional Development	36,000	0	27,736	18,396	45,340	0	45,340
Parent Education	1,346	0	39,429	40,775	0	0	0
Special Education	1,200,001	0	3,304,922	3,297,212	1,207,711	0	1,207,711
Career and Postsecondary Education	100,769	0	378,114	378,883	100,000	0	100,000
KPERs Contribution	0	0	1,810,910	1,810,910	0	0	0
Historical Museum	24,085	0	92,448	94,520	22,013	0	22,013
Recreation Commission	90,674	0	763,072	700,000	153,746	0	153,746
Recreation Commission Employee							
Benefits	13,275	0	115,884	107,677	21,482	0	21,482
Federal Funds	11,965	0	657,396	936,614	(267,253)	0	(267,253)
Gifts and Grants	72,375	0	111,653	122,201	61,827	0	61,827
Contingency Reserve	949,317	0	204,786	7,200	1,146,903	0	1,146,903
Textbook & Student Material Revolving	436,134	0	569,236	335,163	670,207	0	670,207
District Activity Funds	45,812	0	79,827	96,529	29,110	0	29,110
Bond and Interest Fund	1,798,522	0	2,660,419	2,149,813	2,309,128	0	2,309,128
	<u>\$ 7,116,101</u>	<u>\$ 0</u>	<u>\$ 30,909,049</u>	<u>\$ 29,652,323</u>	<u>\$ 8,372,827</u>	<u>\$ 0</u>	<u>\$ 8,372,827</u>

Composition of Cash:

Checking Accounts	\$ 4,864,663
Money Market Accounts	3,821,984
	<u>8,686,647</u>
Agency Funds	(313,820)
	<u>\$ 8,372,827</u>

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

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2021**

**Note 1 - Summary of Significant Accounting Policies:**

Financial Reporting Entity

**Unified School District No. 263** is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Mulvane, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

**KMAAG Regulatory Basis of Presentation Fund Definitions:**

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

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

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

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

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

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

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

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2021**

Budget and Tax Cycle

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

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

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

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

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

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

Federal Funds  
Contingency Reserve Fund  
District Activity Funds

Gifts and Grants Fund  
Textbook & Student Material Revolving Fund

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

**Note 2 - In Substance Receipt in Transit:**

The District received \$798,567 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. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2021**

**Note 3 - Defined Benefit Pension Plan:**

Plan description

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

Contributions

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

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

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

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

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2021**

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 \$1,810,910 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 \$19,434,721. 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.

**Note 4 - Interfund Transactions:**

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

Transfer from:	Transfer to:									Total
	Preschool- Aged At-Risk	At Risk (K-12)	Bilingual Education	Professional Development	Parent Education	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material Revolving	
General Fund	\$ 94,634	\$ 990,776	\$ 21,478	\$ 0	\$ 0	\$ 1,812,312	\$ 378,114	\$ 204,786	\$ 400,000	\$ 3,902,100
Supplemental General Fund	0	406,749	2,888	15,000	11,810	935,298	0	0	0	1,371,745
	<u>\$ 94,634</u>	<u>\$ 1,397,525</u>	<u>\$ 24,366</u>	<u>\$ 15,000</u>	<u>\$ 11,810</u>	<u>\$ 2,747,610</u>	<u>\$ 378,114</u>	<u>\$ 204,786</u>	<u>\$ 400,000</u>	<u>\$ 5,273,845</u>

**Note 5 - Contingencies:**

**Grant Programs**

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

**Risk Management**

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

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2021**

**Note 6 - Reimbursed Expenditures:**

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

**Note 7 - Compensated Absences:**

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

Vacation

Twelve-month non-teacher personnel are provided vacation ranging from 2 to 4 weeks based on years of service. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated or carried forward.

Personal Leave

All classified employees who work at least 20 hours per week start each school year with 7 to 10 days of personal leave with full pay and may carry over a total of 5 days. All certified staff will be granted 10 days of personal leave with full pay and can carry over a total of 10 days into an accumulated sick leave account with an accumulated total of not more than 80 days. Twelve-month administrators and directors start each school year with 30 days of personal leave with full pay and may carry over 15 days of personal leave. Ten and a half month building administrators start each school year with 20 days of personal leave with full pay and may carry over 10 days of personal leave. Terminated or retiring classified staff and administrators are compensated for their unused personal leave at a rate of \$8.00 per hour. Terminated or retiring certified staff are compensated for their unused personal leave at a rate of \$12.00 per day. The accumulated sick leave carried by employees as of July 1, 2008, will be carried forward in a sick leave reserve account that will be paid at the rate of \$12.00 per day upon retirement. Personal leave will be used before the sick leave reserve unless there is five consecutive days of absence. Classified staff can use sick leave reserve for bereavement or after 3 days of personal illness if accompanied by a note from a doctor. For financial statement purposes, personal leave is recognized when paid.

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

**Note 8 - Postemployment Benefits:**

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

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

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2021**

**Note 9 - Deposits:**

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

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

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

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2021.

At June 30, 2021, the District's carrying amount of deposits was \$8,686,647 and the bank balance was \$9,595,526. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$269,787 was covered by federal depository insurance and the remaining \$9,325,739 was collateralized with securities held by the pledging financial institution's agent in the District's name.

**Note 10 - Subsequent Events:**

The District has evaluated subsequent events through December 7, 2021, the date which the financial statement was available to be issued.

**Note 11 - Lease Agreements:**

As of June 30, 2021, the District received lease payments from two entities. The following is a listing of the property, terms and payment amounts for those leases:

Entity	Term of Lease	Payment per Month
Bloomshine Center	36 month term	\$10,500
Mulvane Recreation Commission	135 month term	\$8,650

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2021**

**Note 12 - Long-Term Debt:**

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually.

Principal and interest payments on the capital leases are due semi-annually and monthly.

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	2.50	8/1/2012	\$ 20,755,000	9/1/2025
Capital Leases				
Energy Equipment	4.189	6/29/2011	\$ 1,185,832	6/29/2023

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	\$ 11,060,000	\$ 0	\$ 1,885,000	\$ 9,175,000	\$ 264,812
Capital Leases					
Energy Equipment	353,830	0	113,089	240,741	13,650
	<u>\$ 11,413,830</u>	<u>\$ 0</u>	<u>\$ 1,998,089</u>	<u>\$ 9,415,741</u>	<u>\$ 278,462</u>

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

	Principal			Interest			
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Total Principal and Interest
2022	\$ 1,960,000	\$ 117,876	\$ 2,077,876	\$ 217,188	\$ 8,863	\$ 226,051	\$ 2,303,927
2023	2,030,000	122,865	2,152,865	167,750	3,873	171,623	2,324,488
2024	2,095,000	0	2,095,000	116,562	0	116,562	2,211,562
2025	2,090,000	0	2,090,000	63,625	0	63,625	2,153,625
2026	1,000,000	0	1,000,000	12,500	0	12,500	1,012,500
	<u>\$ 9,175,000</u>	<u>\$ 240,741</u>	<u>\$ 9,415,741</u>	<u>\$ 577,625</u>	<u>\$ 12,736</u>	<u>\$ 590,361</u>	<u>\$ 10,006,102</u>

**REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 263**  
**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)
General Fund	\$ 12,413,059	\$ (505,331)	\$ 3,924	\$ 11,911,652	\$ 11,911,652	\$ 0
Special Purpose Funds						
Supplemental General	4,125,239	(167,322)	0	3,957,917	3,957,917	0
Preschool-Aged At-Risk	300,000	0	0	300,000	94,634	(205,366)
At Risk (K-12)	1,600,000	0	0	1,600,000	1,409,435	(190,565)
Bilingual Education	35,000	0	0	35,000	24,366	(10,634)
Capital Outlay	2,962,364	0	0	2,962,364	1,253,451	(1,708,913)
Driver Training	78,257	0	0	78,257	11,884	(66,373)
Food Service	1,230,500	0	0	1,230,500	893,091	(337,409)
Professional Development	51,400	0	0	51,400	18,396	(33,004)
Parent Education	50,000	0	0	50,000	40,775	(9,225)
Special Education	3,700,000	0	0	3,700,000	3,297,212	(402,788)
Career and Postsecondary Education	534,579	0	0	534,579	378,883	(155,696)
KPERs Contribution	2,269,111	0	0	2,269,111	1,810,910	(458,201)
Historical Museum	94,520	0	0	94,520	94,520	0
Recreation Commission	700,000	0	0	700,000	700,000	0
Recreation Commission Employee Benefits	107,677	0	0	107,677	107,677	0
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	936,614	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	122,201	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	7,200	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	335,163	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	96,529	XXXXXXXXXX
Bond and Interest Fund	2,149,813	0	0	2,149,813	2,149,813	0
	<u>\$ 32,401,519</u>	<u>\$ (672,653)</u>	<u>\$ 3,924</u>	<u>\$ 31,732,790</u>	<u>\$ 29,652,323</u>	<u>\$ (3,578,174)</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 10,301	\$ 3,924	\$ 0	\$ 3,924
State Sources	11,643,613	11,907,728	12,413,059	(505,331)
	<u>11,653,914</u>	<u>11,911,652</u>	<u>\$ 12,413,059</u>	<u>\$ (501,407)</u>
Expenditures				
Instruction	5,621,483	5,693,120	\$ 5,953,851	\$ (260,731)
Student Support Services	384,524	286,602	420,500	(133,898)
Instructional Support Staff	216,811	236,828	236,500	328
General Administration	344,327	349,814	372,000	(22,186)
School Administration	954,328	1,003,141	1,051,000	(47,859)
Central Services	158,778	165,059	166,700	(1,641)
Student Transportation Services	258,216	274,988	315,500	(40,512)
Transfers	3,715,447	3,902,100	3,897,008	5,092
Adjustment to Comply with Legal Max	0	0	(505,331)	505,331
Adjustment for Qualifying Budget Credits	0	0	3,924	(3,924)
	<u>11,653,914</u>	<u>11,911,652</u>	<u>\$ 11,911,652</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		



**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Supplemental General Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 2,446,851	\$ 1,662,318	\$ 1,329,220	\$ 333,098
County Sources	210,394	202,024	200,978	1,046
State Sources	1,852,199	1,925,131	2,006,516	(81,385)
	<u>4,509,444</u>	<u>3,789,473</u>	<u>\$ 3,536,714</u>	<u>\$ 252,759</u>
Expenditures				
Instruction	566,098	486,877	\$ 682,000	\$ (195,123)
General Administration	44,898	57,217	59,000	(1,783)
School Administration	5,562	6,584	6,000	584
Central Services	343,815	361,443	390,000	(28,557)
Operations & Maintenance	1,662,654	1,674,051	1,823,000	(148,949)
Transfers	1,308,620	1,371,745	1,165,239	206,506
Adjustment to Comply with Legal Max	<u>0</u>	<u>0</u>	<u>(167,322)</u>	<u>167,322</u>
	<u>3,931,647</u>	<u>3,957,917</u>	<u>\$ 3,957,917</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	577,797	(168,444)		
Unencumbered Cash, Beginning	10,728	588,525		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 588,525</u>	<u>\$ 420,081</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Preschool-Aged At-Risk Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 200,000	\$ (200,000)
Transfers	83,569	94,634	100,000	(5,366)
	<u>83,569</u>	<u>94,634</u>	<u>\$ 300,000</u>	<u>\$ (205,366)</u>
Expenditures				
Instruction	83,569	94,634	\$ 300,000	\$ (205,366)
	<u>83,569</u>	<u>94,634</u>	<u>\$ 300,000</u>	<u>\$ (205,366)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>At Risk (K-12) Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 10,253	\$ 11,910	\$ 100,000	\$ (88,090)
Transfers	1,179,747	1,397,525	1,500,000	(102,475)
	<u>1,190,000</u>	<u>1,409,435</u>	<u>\$ 1,600,000</u>	<u>\$ (190,565)</u>
Expenditures				
Instruction	1,114,927	1,236,146	\$ 1,486,000	\$ (249,854)
Student Support Services	75,073	173,289	114,000	59,289
	<u>1,190,000</u>	<u>1,409,435</u>	<u>\$ 1,600,000</u>	<u>\$ (190,565)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Bilingual Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 15,000	\$ 24,366	\$ 35,000	\$ (10,634)
	<u>15,000</u>	<u>24,366</u>	<u>\$ 35,000</u>	<u>\$ (10,634)</u>
Expenditures				
Instruction	15,000	24,366	\$ 35,000	\$ (10,634)
	<u>15,000</u>	<u>24,366</u>	<u>\$ 35,000</u>	<u>\$ (10,634)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,167,994	\$ 1,246,967	\$ 1,022,188	\$ 224,779
County Sources	98,613	102,640	102,308	332
State Sources	396,717	389,813	391,283	(1,470)
	<u>1,663,324</u>	<u>1,739,420</u>	<u>\$ 1,515,779</u>	<u>\$ 223,641</u>
Expenditures				
Instruction	36,184	18,906	\$ 100,901	\$ (81,995)
General Administration	390	0	5,000	(5,000)
Central Services	271,361	117,650	500,000	(382,350)
Operations & Maintenance	350,670	381,734	447,000	(65,266)
Transportation	182,094	225,731	243,200	(17,469)
Facility Acquisition & Construction				
Services	316,434	382,691	1,539,524	(1,156,833)
Debt Service	126,739	126,739	126,739	0
	<u>1,283,872</u>	<u>1,253,451</u>	<u>\$ 2,962,364</u>	<u>\$ (1,708,913)</u>
Receipts Over (Under) Expenditures	379,452	485,969		
Unencumbered Cash, Beginning	1,067,132	1,446,584		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,446,584</u>	<u>\$ 1,932,553</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 5,803	\$ 10,716	\$ 10,000	\$ 716
State Sources	8,190	4,284	7,500	(3,216)
	<u>13,993</u>	<u>15,000</u>	<u>\$ 17,500</u>	<u>\$ (2,500)</u>
Expenditures				
Instruction	14,195	10,769	\$ 28,000	\$ (17,231)
Vehicle Operations, Maintenance Services	405	1,115	50,257	(49,142)
	<u>14,600</u>	<u>11,884</u>	<u>\$ 78,257</u>	<u>\$ (66,373)</u>
Receipts Over (Under) Expenditures	(607)	3,116		
Unencumbered Cash, Beginning	61,363	60,756		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 60,756</u>	<u>\$ 63,872</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 344,889	\$ 6,357	\$ 492,441	\$ (486,084)
State Sources	8,649	9,338	7,221	2,117
Federal Sources	607,746	1,093,542	573,992	519,550
Transfers	1,373	0	102,000	(102,000)
	<u>962,657</u>	<u>1,109,237</u>	<u>\$ 1,175,654</u>	<u>\$ (66,417)</u>
Expenditures				
Operations & Maintenance	49,561	9,160	\$ 73,000	\$ (63,840)
Food Service Operation	<u>982,289</u>	<u>883,931</u>	<u>1,157,500</u>	<u>(273,569)</u>
	<u>1,031,850</u>	<u>893,091</u>	<u>\$ 1,230,500</u>	<u>\$ (337,409)</u>
Receipts Over (Under) Expenditures	(69,193)	216,146		
Unencumbered Cash, Beginning	309,154	239,961		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 239,961</u>	<u>\$ 456,107</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 6,000	\$ 8,500	\$ 10,000	\$ (1,500)
State Sources	2,492	4,236	5,400	(1,164)
Transfers	16,180	15,000	20,000	(5,000)
	<u>24,672</u>	<u>27,736</u>	<u>\$ 35,400</u>	<u>\$ (7,664)</u>
Expenditures				
Instructional Support Staff	<u>18,672</u>	<u>18,396</u>	<u>\$ 51,400</u>	<u>\$ (33,004)</u>
	<u>18,672</u>	<u>18,396</u>	<u>\$ 51,400</u>	<u>\$ (33,004)</u>
Receipts Over (Under) Expenditures	6,000	9,340		
Unencumbered Cash, Beginning	30,000	36,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 36,000</u>	<u>\$ 45,340</u>		



**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Parent Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,346	\$ 4,000	\$ 13,035	\$ (9,035)
State Sources	26,093	23,619	23,619	0
Transfers	13,889	11,810	12,000	(190)
	<u>41,328</u>	<u>39,429</u>	<u>\$ 48,654</u>	<u>\$ (9,225)</u>
Expenditures				
Student Support Services	36,452	32,925	\$ 46,500	\$ (13,575)
Instructional Support Staff	3,530	7,850	3,500	4,350
	<u>39,982</u>	<u>40,775</u>	<u>\$ 50,000</u>	<u>\$ (9,225)</u>
Receipts Over (Under) Expenditures	1,346	(1,346)		
Unencumbered Cash, Beginning	0	1,346		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,346</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 25,894	\$ 99,060	\$ 100,000	\$ (940)
Federal Sources	404,042	458,252	490,645	(32,393)
Transfers	2,927,254	2,747,610	2,693,247	54,363
	<u>3,357,190</u>	<u>3,304,922</u>	<u>\$ 3,283,892</u>	<u>\$ 21,030</u>
Expenditures				
Instruction	2,366,305	2,299,636	\$ 2,639,500	\$ (339,864)
Student Support Services	659,708	647,160	703,300	(56,140)
Instructional Support Staff	25,164	26,851	27,300	(449)
General Administration	208,343	241,657	218,300	23,357
Student Transportation Services	97,668	81,908	111,600	(29,692)
	<u>3,357,188</u>	<u>3,297,212</u>	<u>\$ 3,700,000</u>	<u>\$ (402,788)</u>
Receipts Over (Under) Expenditures	2	7,710		
Unencumbered Cash, Beginning	1,199,999	1,200,001		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,200,001</u>	<u>\$ 1,207,711</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

Career and Postsecondary Education Fund	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 5,000	\$ (5,000)
Federal Sources	0	0	28,810	(28,810)
Transfers	366,686	378,114	400,000	(21,886)
	<u>366,686</u>	<u>378,114</u>	<u>\$ 433,810</u>	<u>\$ (55,696)</u>
Expenditures				
Instruction	365,917	378,883	\$ 532,579	\$ (153,696)
School Administration	0	0	2,000	(2,000)
	<u>365,917</u>	<u>378,883</u>	<u>\$ 534,579</u>	<u>\$ (155,696)</u>
Receipts Over (Under) Expenditures	769	(769)		
Unencumbered Cash, Beginning	100,000	100,769		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 100,769</u>	<u>\$ 100,000</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	<u>\$ 1,915,670</u>	<u>\$ 1,810,910</u>	<u>\$ 2,269,111</u>	<u>\$ (458,201)</u>
	<u>1,915,670</u>	<u>1,810,910</u>	<u>\$ 2,269,111</u>	<u>\$ (458,201)</u>
Expenditures				
Instruction	1,200,670	1,095,910	\$ 1,169,111	\$ (73,201)
Student Support Services	50,000	50,000	100,000	(50,000)
Instructional Support Staff	50,000	50,000	100,000	(50,000)
General Administration	100,000	100,000	150,000	(50,000)
School Administration	315,000	315,000	400,000	(85,000)
Other Supplemental Services	50,000	50,000	100,000	(50,000)
Operations & Maintenance	100,000	100,000	150,000	(50,000)
Student Transportation Services	50,000	50,000	100,000	(50,000)
	<u>1,915,670</u>	<u>1,810,910</u>	<u>\$ 2,269,111</u>	<u>\$ (458,201)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Historical Museum Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 103,857	\$ 83,387	\$ 68,050	\$ 15,337
County Sources	7,612	9,061	9,060	1
	<u>111,469</u>	<u>92,448</u>	<u>\$ 77,110</u>	<u>\$ 15,338</u>
Expenditures				
Community Services Operations	93,520	94,520	\$ 94,520	\$ 0
	<u>93,520</u>	<u>94,520</u>	<u>\$ 94,520</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	17,949	(2,072)		
Unencumbered Cash, Beginning	6,136	24,085		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 24,085</u>	<u>\$ 22,013</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Recreation Commission Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 669,361	\$ 692,086	\$ 563,163	\$ 128,923
County Sources	68,182	70,986	67,192	3,794
	<u>737,543</u>	<u>763,072</u>	<u>\$ 630,355</u>	<u>\$ 132,717</u>
Expenditures				
Community Service Operations	650,000	700,000	\$ 700,000	\$ 0
	<u>650,000</u>	<u>700,000</u>	<u>\$ 700,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	87,543	63,072		
Unencumbered Cash, Beginning	3,131	90,674		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 90,674</u>	<u>\$ 153,746</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

Recreation Commission Employee Benefits Fund		Current Year		Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 75,801	\$ 115,779	\$ 94,256	\$ 21,523
County Sources	99	105	5,002	(4,897)
	<u>75,900</u>	<u>115,884</u>	<u>\$ 99,258</u>	<u>\$ 16,626</u>
Expenditures				
Community Service Operations	<u>65,000</u>	<u>107,677</u>	<u>\$ 107,677</u>	<u>\$ 0</u>
	<u>65,000</u>	<u>107,677</u>	<u>\$ 107,677</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	10,900	8,207		
Unencumbered Cash, Beginning	2,375	13,275		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 13,275</u>	<u>\$ 21,482</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Bond and Interest Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,435,399	\$ 1,724,769	\$ 1,419,761	\$ 305,008
County Sources	125,323	140,219	139,331	888
State Sources	832,967	795,431	795,431	0
	<u>2,393,689</u>	<u>2,660,419</u>	<u>\$ 2,354,523</u>	<u>\$ 305,896</u>
Expenditures				
Debt Service	2,135,813	2,149,813	\$ 2,149,813	\$ 0
	<u>2,135,813</u>	<u>2,149,813</u>	<u>\$ 2,149,813</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	257,876	510,606		
Unencumbered Cash, Beginning	1,540,646	1,798,522		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,798,522</u>	<u>\$ 2,309,128</u>		



**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)**

<u>Federal Funds</u>	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources	\$ 294,756	\$ 657,396
	<u>294,756</u>	<u>657,396</u>
Expenditures		
Instruction	272,947	324,411
Student Support Services	7,974	24,150
Instructional Support Services	15,168	21,595
School Administration	1,912	860
Operations & Maintenance	<u>0</u>	<u>565,598</u>
	<u>298,001</u>	<u>936,614</u>
Receipts Over (Under) Expenditures	(3,245)	(279,218)
Unencumbered Cash, Beginning	15,210	11,965
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 11,965</u>	<u>\$ (267,253)</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)**

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 89,678	\$ 66,653
State Sources	32,178	22,500
Federal Sources	32,178	22,500
	<u>154,034</u>	<u>111,653</u>
 Expenditures		
Instruction	<u>182,465</u>	<u>122,201</u>
	<u>182,465</u>	<u>122,201</u>
 Receipts Over (Under) Expenditures	(28,431)	(10,548)
 Unencumbered Cash, Beginning	100,806	72,375
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	<u>\$ 72,375</u>	<u>\$ 61,827</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)**

<u>Contingency Reserve Fund</u>		
	<u>Prior Year</u> <u>Actual</u>	<u>Current Year</u> <u>Actual</u>
Cash Receipts		
Transfers	\$ 253,369	\$ 204,786
	<u>253,369</u>	<u>204,786</u>
Expenditures		
General Administration	<u>7,200</u>	<u>7,200</u>
	<u>7,200</u>	<u>7,200</u>
Receipts Over (Under) Expenditures	246,169	197,586
Unencumbered Cash, Beginning	703,148	949,317
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 949,317</u>	<u>\$ 1,146,903</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)**

Textbook and Student Material			
Revolving Fund			
		Prior Year	Current Year
		Actual	Actual
Cash Receipts			
Local Sources	\$ 179,100	\$ 169,236	
Transfers	167,000	400,000	
	<u>346,100</u>	<u>569,236</u>	
Expenditures			
Instruction	227,245	313,093	
Central Services	0	22,070	
Operations & Maintenance	8,094	0	
	<u>235,339</u>	<u>335,163</u>	
Receipts Over (Under) Expenditures	110,761	234,073	
Unencumbered Cash, Beginning	325,373	436,134	
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>	
Unencumbered Cash, Ending	<u>\$ 436,134</u>	<u>\$ 670,207</u>	

**UNIFIED SCHOOL DISTRICT NO. 263**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Mulvane High School				
Athletic Fund Raising	\$ 15,566	\$ 1,371	\$ 1,468	\$ 15,469
Community Support Network	843	0	0	843
Sales Tax	274	6,988	6,704	558
Refund	0	1,098	1,098	0
Adjust/Tsf	0	10	10	0
Booster Club Donations	528	0	528	0
Baseball	2,916	4,806	3,953	3,769
Basketball-Girls	2,153	4,733	3,360	3,526
Basketball - Boys	2,102	7,268	5,470	3,900
Bowling	194	645	739	100
Cheerleading Club	4,553	13,296	15,557	2,292
Cross Country - MHS	2,082	110	0	2,192
Flag Team	49	2,470	1,050	1,469
Football	6,659	8,468	4,987	10,140
Golf - Boys Club	0	622	341	281
Golf - Girls Club	65	268	286	47
Klassy Kat Dance Club	2,123	11,325	12,858	590
Soccer - Boys	3,570	293	0	3,863
Soccer - Girls	1,713	1,185	0	2,898
Softball	888	2,018	880	2,026
Track and Field	641	1,084	185	1,540
Volleyball	939	1,249	2,062	126
Wrestling	2,472	152	107	2,517
Band/Percussion Club	3,975	70	474	3,571
Class of 2021	1,958	0	1,958	0
Class of 2022	0	5,538	5,107	431
Class of 2023	100	0	0	100
Class of 2024	0	62	0	62
Jr Class Service Project	292	0	0	292
Debate/Forensics/NFL	252	781	1,033	0
Drama	4	309	296	17
Future Business Leaders of America	1,018	307	928	397
FCCLA	478	0	222	256
FFA	11,480	49,653	43,984	17,149
Circle of Friends	493	0	0	493
Kay Club	516	1,055	743	828
KCAT	270	0	0	270
	71,166	127,234	116,388	82,012

**UNIFIED SCHOOL DISTRICT NO. 263**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

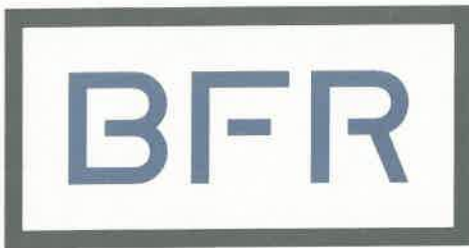
<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Mulvane High School (continued)				
National Honor Society	847	1,424	1,559	712
Rowdie Crowd Pep Club	636	0	300	336
SADD/RAD Club	2,694	228	589	2,333
Scholars Bowl	577	150	25	702
Sch Newspaper Club (Cat Tracks)	23	0	0	23
Skills USA	2,139	2,951	363	4,727
Student Council	408	1,515	1,923	0
Thespians	134	0	88	46
Vocal Music/Espirit Club	9,261	8	0	9,269
Wildcat Café	3,562	0	1,170	2,392
Yearbook Club	56	23,048	20,824	2,280
	<u>91,503</u>	<u>156,558</u>	<u>143,229</u>	<u>104,832</u>
Mulvane Middle School				
Student Achievement - Donation	2,171	645	1,436	1,380
Basketball - Girls	394	282	220	456
Basketball - Boys	1,034	526	0	1,560
Cheerleaders	4,175	27,999	21,627	10,547
Cross Country	174	135	0	309
Football	1,769	280	322	1,727
Track	1,693	384	83	1,994
Volleyball	761	1,745	898	1,608
Wrestling Club	501	0	67	434
Team 6A	131	150	0	281
Team 6B	242	0	0	242
Careers	844	0	0	844
National Honor Society	437	408	385	460
SADD/RAD Club	1,480	0	140	1,340
Sevenettes Club	164	310	356	118
Student Council	2,220	999	772	2,447
Yearbook Club	2,151	8,275	9,590	836
	<u>20,341</u>	<u>42,138</u>	<u>35,896</u>	<u>26,583</u>
Health Insurance Reserve	<u>0</u>	<u>1,028,716</u>	<u>846,311</u>	<u>182,405</u>
Total Agency Funds	<u>\$ 111,844</u>	<u>\$ 1,227,412</u>	<u>\$ 1,025,436</u>	<u>\$ 313,820</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**DISTRICT ACTIVITY FUNDS**  
**SCHEDULE OF CASH RECEIPTS, EXPENDITURES,**  
**AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Mulvane High School</b>							
Activity Passes - Patrons	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Gate Receipts/Ath/Unif Replace	35	0	31,029	31,064	0	0	0
Concessions	8,701	0	14,491	19,299	3,893	0	3,893
Interest	38	0	35	38	35	0	35
Clearing Account	4,042	0	5,597	5,597	4,042	0	4,042
Library (Fines & Book Fairs)	75	0	116	80	111	0	111
	<u>12,891</u>	<u>0</u>	<u>51,268</u>	<u>56,078</u>	<u>8,081</u>	<u>0</u>	<u>8,081</u>
<b>Mulvane Middle School</b>							
Gate Receipts/Athlete/Uniform Replace	0	0	12,401	12,001	400	0	400
Athletic Entry Fees	0	0	1,720	950	770	0	770
Concessions	1,097	0	6,494	5,316	2,275	0	2,275
Interest	27	0	10	0	37	0	37
Refund	0	0	219	219	0	0	0
Donations - Misc.	283	0	80	80	283	0	283
Pop/Vending	232	0	1,270	1,342	160	0	160
	<u>1,639</u>	<u>0</u>	<u>22,194</u>	<u>19,908</u>	<u>3,925</u>	<u>0</u>	<u>3,925</u>
<b>Mulvane Grade School</b>							
Library	4,091	0	4,767	7,424	1,434	0	1,434
IOTA CHI Donation	33	0	0	0	33	0	33
Donation - Misc.	3,822	0	102	488	3,436	0	3,436
T.A.P.E Donation	6,589	0	150	2,809	3,930	0	3,930
	<u>14,535</u>	<u>0</u>	<u>5,019</u>	<u>10,721</u>	<u>8,833</u>	<u>0</u>	<u>8,833</u>
<b>Munson Primary School</b>							
Library	8,579	0	140	1,893	6,826	0	6,826
IOTA CHI Donation	9	0	0	0	9	0	9
Refund	0	0	75	0	75	0	75
T.A.P.E Donation	6,979	0	1,128	6,839	1,268	0	1,268
Just Give - Donation	1,180	0	3	1,090	93	0	93
	<u>16,747</u>	<u>0</u>	<u>1,346</u>	<u>9,822</u>	<u>8,271</u>	<u>0</u>	<u>8,271</u>
<b>Total District Activity Funds</b>	<u>\$ 45,812</u>	<u>\$ 0</u>	<u>\$ 79,827</u>	<u>\$ 96,529</u>	<u>\$ 29,110</u>	<u>\$ 0</u>	<u>\$ 29,110</u>

## **FEDERAL AWARD INFORMATION**





**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**

**INDEPENDENT AUDITORS' REPORT**

**Board of Education  
Unified School District No. 263  
Mulvane, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 263, Mulvane, Kansas**, as of and for the year ended **June 30, 2021**, and the related notes to the financial statement, which collectively comprise **Unified School District No. 263, Mulvane, Kansas'** basic financial statement, and have issued our report thereon dated December 7, 2021. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Unified School District No. 263, Mulvane, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 263, Mulvane, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 263, Mulvane, Kansas'** internal control.

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

**Board of Education  
Unified School District No. 263**

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

**BFR CPA, LLC**

BFR CPA, LLC  
December 7, 2021



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

**INDEPENDENT AUDITORS' REPORT**

**Board of Education  
Unified School District No. 263  
Mulvane, Kansas**

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Unified School District No. 263, Mulvane, Kansas**, 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. 263, Mulvane, Kansas'** major federal programs for the year ended **June 30, 2021**. **Unified School District No. 263, Mulvane, Kansas'** major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Unified School District No. 263, Mulvane, Kansas'** 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 (CFR)* 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 **Unified School District No. 263, Mulvane, Kansas'** 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. 263, Mulvane, Kansas'** compliance.

**Board of Education  
Unified School District No. 263**

Opinion on Each Major Federal Program

In our opinion, **Unified School District No. 263, Mulvane, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2021**.

Report on Internal Control Over Compliance

Management of **Unified School District No. 263, Mulvane, Kansas** 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. 263, Mulvane, Kansas'** 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 **Unified School District No. 263, Mulvane, Kansas'** internal control over compliance.

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

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

**BFR CPA, LLC**

BFR CPA, LLC  
December 7, 2021

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grant Title	Assistance Listing Number	Program Amount	Unencumbered Cash 7/1/2020	Receipts	Expenditures	Unencumbered Cash 6/30/2021
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
National School Lunch Program	10.555	\$ 286,865				
Summer Food Service Program for Children	10.559	806,677				
		<u>1,093,542</u>	<u>\$ 0</u>	<u>\$ 1,093,542</u>	<u>\$ 893,091</u>	<u>\$ 200,451</u>
Department of Education						
Title I Grants to Local Educational Agencies	84.010	233,056	0	233,056	233,056	0
Career and Technical Education - Basic Grants to States	84.048	30,694	0	30,694	30,694	0
Supporting Effective Instruction State Grants	84.367	36,950	7,766	36,211	44,716	(739)
Student Support and Academic Enrichment Program	84.424	18,914	4,199	18,914	23,113	0
Covid-19 Education Stabilization Fund	84.425D	2,698,690	0	193,962	460,476	(266,514)
Special Education Cluster (IDEA)-Cluster						
Special Education Grants to States	84.027	337,192	0	337,192	337,192	0
Special Education Preschool Grants	84.173	12,674	0	12,674	12,674	0
		<u>3,368,170</u>	<u>11,965</u>	<u>862,703</u>	<u>1,141,921</u>	<u>(267,253)</u>
Department of Health and Human Services						
Temporary Assistance for Needy Families Cluster-Cluster						
Temporary Assistance for Needy Families State Programs	93.558	22,500	0	22,500	22,500	0
<u>(Passes Through Sedgwick County)</u>						
Department of the Treasury						
Covid-19 Coronavirus Relief Fund	21.019	176,943	0	176,943	176,943	0
<u>(Passes Through Kansas Department of SRS)</u>						
Department of Health and Human Services						
Medicaid Cluster-Cluster						
Medical Assistance Program	93.778	76,002	0	76,002	76,002	0
Total Federal Awards		<u>\$ 4,737,157</u>	<u>\$ 11,965</u>	<u>\$ 2,231,690</u>	<u>\$ 2,310,457</u>	<u>\$ (66,802)</u>

The accompanying notes are an integral part of this schedule.

**UNIFIED SCHOOL DISTRICT NO. 263  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

**Note 1 - Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 263, Mulvane, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Note 2 - Indirect Cost Rate:**

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

**UNIFIED SCHOOL DISTRICT NO. 263  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Unified School District No. 263, Mulvane, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **Unified School District No. 263, Mulvane, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **Unified School District No. 263, Mulvane, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Unified School District No. 263, Mulvane, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
Title I Grants to Local Educational Agencies	84.010
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **Unified School District No. 263, Mulvane, Kansas**, was determined not to be a low-risk auditee.

**UNIFIED SCHOOL DISTRICT NO. 263  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

There are no prior audit findings.