USD 415 - HIAWATHA

Hiawatha, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2021

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 415 - HIAWATHA
Hiawatha, Kansas
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February 26, 2022

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
USD 415 - Hiawatha
Hiawatha, Kansas

Independent Auditor's Report

We have audited the accompanying fund summary statement of regulatory receipts, expenditures, and unencumbered cash - regulatory basis of USD 415 - Hiawatha (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statement which collectively comprise the District's basic financial statement as listed in the table of contents.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including 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 District'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 of the financial statement, the financial statement is prepared by the District 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 A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the previous paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021, or changes in financial position or 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 the District as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Regulatory-Required 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 as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, summary of receipts and disbursements - non-budgeted funds, summary of receipts and disbursements - agency funds, and schedule of regulatory basis receipts and expenditures - activity 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*. 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.

Additional Information
The June 30, 2020 actual column presented in the individual fund schedules of receipts and expenditures (Schedule 2A - 2O as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2021 basic financial statement upon which we rendered an unmodified opinion dated September 29, 2020. The June 30, 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 prior year 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 prior year basic financial statement. The prior year comparative information was subjected to the auditing procedures applied in the audit of the prior year 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 prior year basic financial statement or to the prior year 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 prior year comparative information is fairly stated in all material respects in relation to the prior year basic financial statement as a whole, on the basis of accounting described in Note A.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance
Our audit was performed for the purpose of forming an opinion on the regulatory basis financial statement of the District, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statement as a whole.

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

Varney & Associates, CPAs, LLC

Certified Pubic Accountants
Manhattan, Kansas

USD 415 - HIAWATHA
Hiawatha, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ -	$ 7,819,183	$ 7,819,183	$ -	$ 43,434	$ 43,434
Supplemental General	207,296	-	2,264,200	2,357,141	114,355	16,154	130,509
Special Purpose Funds							
Budgeted							
Bilingual Education	12,000	-	32,000	18,829	25,171	-	25,171
Virtual Education	22,000	-	14,000	14,414	21,586	-	21,586
Capital Outlay	1,509,985	-	838,748	495,135	1,853,598	169,338	2,022,936
Driver Training	18,838	-	11,678	5,287	25,229	-	25,229
Food Service	180,000	-	497,265	438,306	238,959	6,479	245,438
Professional Development	40,000	-	-	4,501	35,499	-	35,499
Parent Education	19,500	-	45,000	39,000	25,500	-	25,500
Special Education	760,000	-	1,686,292	1,741,370	704,922	-	704,922
Career & Postsecondary Education	115,309	-	282,978	258,109	140,178	1,315	141,493
KPERS Special Retirement Contribution	-	-	824,148	824,148	-	-	-
Preschool-Aged At-Risk	80,000	-	75,000	73,383	81,617	1,230	82,847
At-Risk (K-12)	231,693	-	1,029,262	996,661	264,294	9,337	273,631
Non-Budgeted							
Contingency Reserve	600,000	-	100,000	-	700,000	-	700,000
Gifts & Grants	118,072	-	102,557	91,465	129,164	7,071	136,235
Student Material Revolving	64,858	-	35,256	26,721	73,393	5,519	78,912
Textbook Rental	150,000	-	165,990	159,433	156,557	134,990	291,547
SPARKS Funds	-	-	427,142	427,142	-	-	-
Title I Low Income	-	-	208,351	210,606	(2,255)	1,846	(409)
Title IIA Teacher Quality	(2,388)	-	34,320	45,008	(13,076)	2,702	(10,374)
Title IVA Academic Enrichment	-	-	19,262	19,262	-	-	-
ESSER Funds	(5,927)	-	166,032	160,105	-	29,544	29,544
ESSER II Funds	-	-	-	83,732	(83,732)	507	(83,225)
Petty cash	-	-	1,634	134	1,500	-	1,500
District activities	101,049	-	85,168	100,750	85,467	-	85,467

STATEMENT 1

(continued)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

USD 415 - HIAWATHA
Hiawatha, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund							
Bond & Interest	1,525,221	-	870,725	731,350	1,664,596	-	1,664,596
Trust Funds							
Cox Scholarship	939	-	-	100	839	-	839
Darlene Schilling Scholarship	1,241	-	1	300	942	-	942
Virginia Ruth Scholarship	169,683	-	92,021	12,100	249,604	-	249,604
Crow Memorial Scholarship	2,417	-	25	100	2,342	-	2,342
Kidwell Memorial Scholarship	3,860	-	58	300	3,618	-	3,618
Total Reporting Entity (Excluding Agency Funds)	$ 5,925,646	$ -	$ 17,728,296	$ 17,154,075	$ 6,499,867	$ 429,466	$ 6,929,333

Composition of Cash	
Bank deposits	$ 6,991,034
Less: Agency funds per Schedule 3	(61,701)
Total Reporting Entity (Excluding Agency Funds)	$ 6,929,333

STATEMENT 1 (CONTINUED)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

USD 415 - HIAWATHA
Hiawatha, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2021

Note A: Summary of Significant Accounting Policies

USD #415 Hiawatha (the District) is a municipal corporation governed by an elected seven member board. The financial statement includes the District only.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. 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 District could have the following types of funds:

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

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

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

Trust Funds -- funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds -- used to report assets held by the District in a purely custodial capacity.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B: Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute) and bond and interest funds. 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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

Adjustment to Comply with Legal Max - Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

Adjustment for Qualifying Budget Credits - Districts may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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

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

Contingency Reserve	Title IIA Teacher Quality
Gifts and Grants	Title IVA Academic Enrichment
Student Material Revolving	ESSER Funds
Textbook Rental	ESSER II Funds
Title I Low Income	SPARK Funds

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

Note C: Deposits and Investments

K.S.A. 9-1401 established 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 or depository risk.

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

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

Custodial credit risk -- deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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, Kansas (FHLB), except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2021.

At June 30, 2021, the carrying amount of the District's bank deposits was $6,991,034. The bank balance was $7,702,678. The bank balance was held by three banks resulting in a concentration of deposit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $551,754 was secured by FDIC insurance and the remaining $7,149,290 was collateralized by bank pledged securities.

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

Note D: In-Substance Payments

The District received $448,960 subsequent to June 30, 2021 and as required by K.S.A. 72-5135(d), the receipt was recorded as in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

Note E: Interfund Transfers

The District made the following operating transfers which were approved by the Board of Education:

Fund From	Fund To	Statutory Authority	Amount
General fund	Preschool-Aged At-Risk	K.S.A. 72-5167	$ 75,000
General fund	At-Risk (K-12)	K.S.A. 72-5167	664,262
General fund	Bilingual Education	K.S.A. 72-5167	7,000
General fund	Virtual Education	K.S.A. 72-5167	14,000
General fund	Contingency Reserve	K.S.A. 72-5167	100,000
General fund	Special Education	K.S.A. 72-5167	1,277,385
General fund	Vocational Education	K.S.A. 72-5167	10,000
General fund	Textbook Fund	K.S.A. 72-5167	141,574
General fund	Parent Education	K.S.A. 72-5167	25,000
Supplemental	At-Risk (K-12)	K.S.A. 72-5143	365,000
Supplemental	Bilingual Education	K.S.A. 72-5143	25,000
Supplemental	Parent Education	K.S.A. 72-5143	20,000
Supplemental	Special Education	K.S.A. 72-5143	390,293
Supplemental	Textbook Fund	K.S.A. 72-5143	1,478
Supplemental	Vocational Education	K.S.A. 72-5143	258,000
	Total Transfers		$ 3,373,992

Note F: 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 these financial statements.

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. There is no cost to the District under this program.

Compensated Absences

Most administrative and classified personnel employed on a twelve month full-time (32 hours per week) status are eligible for a paid two week vacation. Following the completion of ten years of employment, the employee is eligible for three weeks paid vacation. Only one week of unused vacation may be carried into the next year. A week is defined as five working days. It is the District's policy to pay employees accrued vacation pay upon termination of employment.

The District also has available sick leave for all. Employees accrue sick leave at the rate of fifteen days per year, with the maximum accumulation of one hundred days. Upon termination, employees are not paid for any accumulated sick leave.

Note F: Other Long-Term Obligations from Operations (Continued)

Termination Benefits

Resignation Compensation

The District provides a plan which covers classified personnel who are eligible to receive retirement benefits from either the Kansas Public Employees Retirement System or the Social Security Administration and have been employed by the district for at least fifteen years. To be eligible, the District must receive the employee's retirement resignation by February 15 of the year in which the retirement occurs. Eligible classified employees will receive a one-time payment based on the number of years of service in the District, payable in a lump sum at the end of the school year. The amount of the compensation is determined as follows:

Years of Service to the District	Classified Compensation
15 Years	$ 1,500
Per Year Beyond 15 Years	50

Certified and administrative employees receive a $1,500 increase to their final contract if a letter of resignation is submitted by July 1, prior to the year they are leaving. A $500 increase to the final contract is provided if a letter of resignation is submitted by January 1 of the year they are leaving. These benefits are offered to certified and administrative employees, with no conditions related to years of service.

Health Insurance Plan

The certified and administrative employees who retire under the plan are eligible to continue in the health insurance plan of the District as well as receive the District's contribution for the single health insurance policy equal to the benefit given in the year of retirement until the employee reaches age 65. Beginning in the 2016-2017 school year, the employer subsidized post-retirement health insurance payment will reduce by 10% each year. No new retirement enrollees will be allowed after the 2022-2023 school year. Current recipients at that time will continue to receive benefit until age 65 or after the 10th year of post retirement.

The amount paid by the district on behalf of the retirees during the year ended June 30, 2021 was $73,585. The amount of the District's accrued contribution for the health insurance of current retirees until age 65 is estimated at $228,056 as of June 30, 2021.

Early Retirement Program

The estimated cost of future early retirement program commitments, including health insurance, for both current and future eligible retirees is as follows:

Year Ended	Amount
2022	$ 68,475
2023	83,694
2024	77,320
2025	66,309
2026-2030	146,285
2031-2032	2,047
Total	$ 444,130

Note G: Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds									
2015-A Improvement Bonds	2.00 to 3.00%	6/4/2015	$ 9,200,000	9/1/2030	$ 7,115,000	$ -	$ 5,335,000	$ 1,780,000	$ 171,350
Series 2021 Refunding Bonds	.2 to 1.55%	6/29/2021	5,065,000	9/1/2028	-	5,065,000	-	5,065,000	-
Total Long-Term Debt					$ 7,115,000	$ 5,065,000	$ 5,335,000	$ 6,845,000	$ 171,350

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

	2022	2023	2024	2025	2026	2027-2031	Total
Principal							
2015-A Improvement Bonds	$ 575,000	$ 595,000	$ 610,000	$ -	$ -	$ -	$ 1,780,000
Series 2021	50,000	250,000	250,000	885,000	895,000	2,735,000	5,065,000
Total Principal	$ 625,000	$ 845,000	$ 860,000	$ 885,000	$ 895,000	$ 2,735,000	$ 6,845,000
Interest							
2015-A Improvement Bonds	$ 31,375	$ 19,676	$ 6,863	$ -	$ -	$ -	$ 57,914
Series 2021	34,264	50,633	49,883	47,012	40,550	59,221	281,563
Total Interest	$ 65,639	$ 70,309	$ 56,746	$ 47,012	$ 40,550	$ 59,221	$ 339,477
Total Debt Payments	$ 690,639	$ 915,309	$ 916,746	$ 932,012	$ 935,550	$ 2,794,221	$ 7,184,477

Note H: Pension Plans

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 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.

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 $824,148 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 $8,824,053. 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.

Note I: Claims and Judgements

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have material impact on the District. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2018 to 2019, and there were no settlements that exceeded insurance coverage in the past three years.

Note J: Subsequent Events

The District evaluated subsequent events through February 26, 2022, the date the financial statement was available to be issued.

Note K: Stewardship, Compliance and Accountability

Funds with a Deficit Unencumbered Cash Balance - Generally, municipals are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A. 12-1664 provides an exception for those funds which are to be financed by Federal government sources. This exception allows these funds to expend in excess of currently available resources with the expectation that the District will be reimbursed for qualifying grant expenditures.

The following funds had a deficit balance of unencumbered cash as of June 30, 2021: Title I Low Income, Title IIA Teacher Quality and ESSER II Funds. These funds are financed by State and Federal funding and the District is expecting reimbursement of qualifying grant expenditures.

Note L: 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 results of operations. Management 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 2021.

Note M: CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of $400 million. The District received CRF in the amount of $427,142 during fiscal year 2021. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

USD 415 - HIAWATHA
Hiawatha, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2021

Funds	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)
Governmental Type Funds						
General Funds						
General	$ 8,045,635	$ (234,338)	$ 7,886	$ 7,819,183	$ 7,819,183	$ -
Supplemental General	2,425,898	(68,757)	-	2,357,141	2,357,141	-
Special Purpose Funds						
Bilingual Education	24,000	-	-	24,000	18,829	(5,171)
Virtual Education	36,000	-	-	36,000	14,414	(21,586)
Capital Outlay	2,314,511	-	-	2,314,511	495,135	(1,819,376)
Driver Training	20,788	-	-	20,788	5,287	(15,501)
Food Service	779,254	-	-	779,254	438,306	(340,948)
Professional Development	46,000	-	-	46,000	4,501	(41,499)
Parent Education	44,500	-	-	44,500	39,000	(5,500)
Special Education	2,497,614	-	-	2,497,614	1,741,370	(756,244)
Career and Postsecondary Education	293,309	-	-	293,309	258,109	(35,200)
KPERS Special Retirement Contribution	979,961	-	-	979,961	824,148	(155,813)
Preschool-Aged At-Risk	113,000	-	-	113,000	73,383	(39,617)
At-Risk (K-12)	1,076,854	-	-	1,076,854	996,661	(80,193)
Bond and Interest Fund						
Bond and Interest	731,650	-	-	731,650	731,350	(300)
Total of all Funds	$ 19,428,974	$ (303,095)	$ 7,886	$ 19,133,765	$ 15,816,817	$ (3,316,948)

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Reimbursed expenditures	$ 12,950	$ 7,886	$ -	$ 7,886
State Sources				
General state aid	7,712,034	6,772,619	6,955,635	(183,016)
Special education aid	-	1,038,678	1,090,000	(51,322)
Total Cash Receipts	$ 7,724,984	$ 7,819,183	$ 8,045,635	$ (226,452)
EXPENDITURES				
Instruction	$ 3,513,328	$ 3,625,438	$ 3,927,950	$ (302,512)
Student support services	198,124	158,967	265,200	(106,233)
Instructional support staff	207,134	198,835	258,580	(59,745)
General administration	329,575	346,186	372,710	(26,524)
School administration	624,935	622,977	676,150	(53,173)
Central services	267,907	286,199	304,420	(18,221)
Operations and maintenance	14,410	15,920	41,804	(25,884)
Student transportation	278,140	250,440	355,160	(104,720)
Transfers to other funds	2,291,431	2,314,221	1,843,661	470,560
Adjustment to comply with legal maximum	-	-	(234,338)	234,338
Legal general fund budget and expenditures	$ 7,724,984	$ 7,819,183	$ 7,811,297	$ 7,886
Adjustments for qualifying budget credits	-	-	7,886	(7,886)
Total Expenditures	$ 7,724,984	$ 7,819,183	$ 7,819,183	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 2,099,849	$ 1,996,220	$ 2,157,587	$ (161,367)
Delinquent taxes	27,539	21,152	21,602	(450)
County Sources				
Motor vehicle taxes	127,024	122,311	111,916	10,395
Recreational vehicle taxes	2,817	3,166	2,391	775
Commercial vehicle taxes	13,719	13,336	11,331	2,005
In lieu of taxes	543	529	-	529
State Sources				
Supplemental state aid	88,971	107,486	110,621	(3,135)
Total Cash Receipts	$ 2,360,462	$ 2,264,200	$ 2,415,448	$ (151,248)
EXPENDITURES				
Instruction	$ 21,133	$ 41,061	$ 42,000	$ (939)
Student support services	955	9	2,000	(1,991)
Instr support staff	-	-	2,000	(2,000)
General administration	4,613	9,444	13,000	(3,556)
School administration	16,181	41,954	30,000	11,954
Central services	-	(54)	-	(54)
Operations and maintenance	1,074,305	1,198,084	1,272,398	(74,314)
Other support services	-	6,873	7,500	(627)
Transfers to other funds	1,249,064	1,059,770	1,057,000	2,770
Adjustment to comply with legal maximum	-	-	(68,757)	68,757
Total Expenditures	$ 2,366,251	$ 2,357,141	$ 2,357,141	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (5,789)	$ (92,941)		
UNENCUMBERED CASH - BEGINNING	213,085	207,296		
UNENCUMBERED CASH - ENDING	$ 207,296	$ 114,355		

USD 415 - HIAWATHA
Hiawatha, Kansas
BILINGUAL EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Actual Totals For The Prior Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 17,166	$ 32,000	$ 12,000	$ 20,000
EXPENDITURES				
Instruction	$ 9,734	$ 18,829	$ 24,000	$ (5,171)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 7,432	$ 13,171		
UNENCUMBERED CASH - BEGINNING	4,568	12,000		
UNENCUMBERED CASH - ENDING	$ 12,000	$ 25,171		

USD 415 - HIAWATHA
Hiawatha, Kansas
VIRTUAL EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Actual Totals For The Prior Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 21,004	$ 14,000	$ 14,000	$ -
EXPENDITURES				
Instruction	$ 15,797	$ 14,414	$ 36,000	$ (21,586)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,207	$ (414)		
UNENCUMBERED CASH - BEGINNING	16,793	22,000		
UNENCUMBERED CASH - ENDING	$ 22,000	$ 21,586		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 755,039	$ 757,453	$ 753,247	$ 4,206
Delinquent taxes	8,735	7,183	7,743	(560)
Interest On Idle Funds	51,384	19,833	-	19,833
Other	28,547	9,014	-	9,014
County Sources				
Motor vehicle taxes	41,366	39,216	38,782	434
Recreational vehicle taxes	919	1,095	828	267
Commercial vehicle taxes	4,644	4,758	3,926	832
In lieu of taxes	196	196	-	196
Total Cash Receipts	$ 890,830	$ 838,748	$ 804,526	$ 34,222
EXPENDITURES				
Instruction	$ 103,843	$ 27,074	$ 350,000	$ (322,926)
Student support services	630	50	15,000	(14,950)
Instructional support staff	429	2,061	15,000	(12,939)
General administration	18,303	3,110	25,000	(21,890)
School administration	1,240	8,561	15,000	(6,439)
Central services	5,706	17,709	20,000	(2,291)
Operations and maintenance	41,738	74,044	165,000	(90,956)
Student transportation	-	94,038	310,000	(215,962)
Facility acquisition and construction	408,685	268,488	1,399,511	(1,131,023)
Total Expenditures	$ 580,574	$ 495,135	$ 2,314,511	$ (1,819,376)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 310,256	$ 343,613		
UNENCUMBERED CASH - BEGINNING	1,199,729	1,509,985		
UNENCUMBERED CASH - ENDING	$ 1,509,985	$ 1,853,598		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ -	$ 9,360	$ -	$ 9,360
State Sources				
State safety aid	2,600	2,318	1,950	368
Total Cash Receipts	$ 2,600	$ 11,678	$ 1,950	$ 9,728
EXPENDITURES				
Instruction	$ 3,224	$ 5,105	$ 10,720	$ (5,615)
Operations and maintenance	219	182	10,068	(9,886)
Total Expenditures	$ 3,443	$ 5,287	$ 20,788	$ (15,501)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (843)	$ 6,391		
UNENCUMBERED CASH - BEGINNING	19,681	18,838		
UNENCUMBERED CASH - ENDING	$ 18,838	$ 25,229		

USD 415 - HIAWATHA
Hiawatha, 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Food service sales	$ 151,492	$ 32,503	$ 207,265	$ (174,762)
Other	1,143	-	-	-
State Sources				
School food assistance	5,382	5,287	4,800	487
Federal Sources				
Child nutrition programs	308,129	459,475	362,189	97,286
Other Sources				
Transfers from other funds	117,523	-	25,000	(25,000)
Total Cash Receipts	$ 583,669	$ 497,265	$ 599,254	$ (101,989)
EXPENDITURES				
Food service	$ 545,860	$ 438,306	$ 779,254	$ (340,948)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 37,809	$ 58,959		
UNENCUMBERED CASH - BEGINNING	142,191	180,000		
UNENCUMBERED CASH - ENDING	$ 180,000	$ 238,959		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
State Sources				
Professional development	$ -	$ -	$ 1,500	$ (1,500)
Other Sources				
Transfers from other funds	3,141	-	4,500	(4,500)
Total Cash Receipts	$ 3,141	$ -	$ 6,000	$ (6,000)
EXPENDITURES				
Instructional support staff	$ 4,406	$ 4,276	$ 46,000	$ (41,724)
Central services	-	225	-	225
Total Expenditures	$ 4,406	$ 4,501	$ 46,000	$ (41,499)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,265)	$ (4,501)		
UNENCUMBERED CASH - BEGINNING	41,265	40,000		
UNENCUMBERED CASH - ENDING	$ 40,000	$ 35,499		

USD 415 - HIAWATHA
Hiawatha, Kansas
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Actual Totals For The Prior Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 9,500	$ 45,000	$ 25,000	$ 20,000
EXPENDITURES				
Student support services	$ 3,600	$ 39,000	$ 44,500	$ (5,500)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,900	$ 6,000		
UNENCUMBERED CASH - BEGINNING	13,600	19,500		
UNENCUMBERED CASH - ENDING	$ 19,500	$ 25,500		

USD 415 - HIAWATHA
Hiawatha, 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Federal Sources				
Cares Act	$ -	$ 18,614	$ 18,614	$ -
Other Sources				
Transfers from other funds	1,840,399	1,667,678	1,719,000	(51,322)
Total Cash Receipts	$ 1,840,399	$ 1,686,292	$ 1,737,614	$ (51,322)
EXPENDITURES				
Instruction	$ 1,677,095	$ 1,741,311	$ 2,497,614	$ (756,303)
Operations and maintenance	230	59	-	59
Total Expenditures	$ 1,677,325	$ 1,741,370	$ 2,497,614	$ (756,244)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 163,074	$ (55,078)		
UNENCUMBERED CASH - BEGINNING	596,926	760,000		
UNENCUMBERED CASH - ENDING	$ 760,000	$ 704,922		

USD 415 - HIAWATHA
Hiawatha, Kansas
CAREER AND POSTSECONDARY EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Actual Totals For The Prior Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ -	$ 10,317	$ -	$ 10,317
State Sources				
CTE transportation aid	14,732	-		-
Federal Sources				
CTE basic aid	4,214	4,661	5,000	(339)
Other Sources				
Transfers from other funds	238,511	268,000	173,000	95,000
Total Cash Receipts	$ 257,457	$ 282,978	$ 178,000	$ 104,978
EXPENDITURES				
Instruction	$ 223,581	$ 235,089	$ 260,809	$ (25,720)
Instructional support staff	1,077	1,770	3,000	(1,230)
Student transportation services	10,554	21,250	29,500	(8,250)
Total Expenditures	$ 235,212	$ 258,109	$ 293,309	$ (35,200)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 22,245	$ 24,869		
UNENCUMBERED CASH - BEGINNING	93,064	115,309		
UNENCUMBERED CASH - ENDING	$ 115,309	$ 140,178		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
State Sources				
State Aid	$ 864,926	$ 824,148	$ 979,961	$ (155,813)
EXPENDITURES				
Instruction	$ 544,123	$ 522,356	$ 612,335	$ (89,979)
Student support services	39,905	43,400	50,414	(7,014)
Instructional support staff	23,547	22,109	27,428	(5,319)
General administration	24,881	35,774	35,529	245
School administration	82,775	70,835	89,465	(18,630)
Central services	39,586	31,258	42,511	(11,253)
Operations and maintenance	64,703	58,861	73,637	(14,776)
Student transportation	19,892	20,698	23,948	(3,250)
Food service	25,514	18,857	24,694	(5,837)
Total Expenditures	$ 864,926	$ 824,148	$ 979,961	$ (155,813)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 113,260	$ 75,000	$ 33,000	$ 42,000
EXPENDITURES				
Instruction	$ 72,916	$ 73,383	$ 113,000	$ (39,617)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 40,344	$ 1,617		
UNENCUMBERED CASH - BEGINNING	39,656	80,000		
UNENCUMBERED CASH - ENDING	$ 80,000	$ 81,617		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 1,112,345	$ 1,029,262	$ 845,161	$ 184,101
EXPENDITURES				
Instruction	$ 871,853	$ 784,934	$ 913,804	$ (128,870)
Student support services	160,943	211,727	163,050	48,677
Total Expenditures	$ 1,032,796	$ 996,661	$ 1,076,854	$ (80,193)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 79,549	$ 32,601		
UNENCUMBERED CASH - BEGINNING	152,144	231,693		
UNENCUMBERED CASH - ENDING	$ 231,693	$ 264,294		

USD 415 - HIAWATHA
Hiawatha, Kansas
BOND & 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem tax	$ 848,282	$ 798,981	$ 799,515	$ (534)
Delinquent tax	14,495	10,965	8,690	2,275
County Sources				
Motor vehicle tax	69,881	53,610	52,208	1,402
Recreational vehicle tax	1,544	1,487	1,115	372
Commercial vehicle tax	6,938	5,477	5,286	191
In lieu of tax	218	205	-	205
Total Cash Receipts	$ 941,358	$ 870,725	$ 866,814	$ 3,911
EXPENDITURES				
Debt service	$ 732,450	$ 731,350	$ 731,650	$ (300)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 208,908	$ 139,375		
UNENCUMBERED CASH - BEGINNING	1,316,313	1,525,221		
UNENCUMBERED CASH - ENDING	$ 1,525,221	$ 1,664,596		

USD 415 - HIAWATHA
Hiawatha, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2021

	Contingency Reserve	Gifts & Grants	Student Material Revolving	Textbook Rental	SPARKS Funds
RECEIPTS					
Local Sources					
Interest	$ -	$ 557	$ -	$ -	$ -
Student activities	-	-	35,256	-	-
Other	-	102,000	-	22,938	-
County Sources					
Other	-	-	-	-	427,142
Other Sources					
Transfers from other funds	100,000	-	-	143,052	-
Total Receipts	$ 100,000	$ 102,557	$ 35,256	$ 165,990	$ 427,142
EXPENDITURES					
Instruction	$ -	$ 71,103	$ 24,508	$ 159,433	$ 143,541
Support					
Student support services	-	12,789	-	-	182,840
Instructional support staff	-	1,895	2,213	-	1,887
General administration	-	-	-	-	4,834
School administration	-	-	-	-	9,130
Operations and maintenance	-	4,978	-	-	81,484
Food service	-	700	-	-	3,426
Total Expenditures	$ -	$ 91,465	$ 26,721	$ 159,433	$ 427,142
RECEIPTS OVER (UNDER) EXPENDITURES	$ 100,000	$ 11,092	$ 8,535	$ 6,557	$ -
UNENCUMBERED CASH - BEGINNING	600,000	118,072	64,858	150,000	-
UNENCUMBERED CASH - ENDING	$ 700,000	$ 129,164	$ 73,393	$ 156,557	$ -

USD 415 - HIAWATHA
Hiawatha, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2021

	Title I Low Income	Title IIA Teacher Quality	Title IVA Acad. Enrich.	ESSER Funds	ESSER II Funds	Petty Cash
RECEIPTS						
Local Sources						
Other	$ -	$ -	$ -	$ -	$ -	$ 1,634
Federal Sources						
Federal Aid	208,351	34,320	19,262	166,032	-	-
Total Receipts	$ 208,351	$ 34,320	$ 19,262	$ 166,032	$ -	$ 1,634
EXPENDITURES						
Instruction	$ 202,783	$ 8,589	$ 19,262	$ 140,948	$ 65,717	$ -
Support						
Student support services	7,823	-	-	11,989	10,507	-
Instructional support staff	-	36,419	-	-	-	-
General administration	-	-	-	-	-	134
Operations and maintenance	-	-	-	6,793	-	-
Student transportation	-	-	-	-	3,599	-
Food service	-	-	-	375	3,909	-
Total Expenditures	$ 210,606	$ 45,008	$ 19,262	$ 160,105	$ 83,732	$ 134
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,255)	$ (10,688)	$ -	$ 5,927	$ (83,732)	$ 1,500
UNENCUMBERED CASH - BEGINNING	-	(2,388)	-	(5,927)	-	-
UNENCUMBERED CASH - ENDING	$ (2,255)	$ (13,076)	$ -	$ -	$ (83,732)	$ 1,500

USD 415 - HIAWATHA
Hiawatha, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
TRUST FUNDS
For the Year Ended June 30, 2021

	Cox Scholarship	Darlene Shilling Scholarship	Virginia Ruth Scholarship	Crow Memorial Scholarship	Kidwell Memorial Scholarship
RECEIPTS					
Local Sources					
Interest On Idle Funds	$ -	$ 1	$ 21	$ 25	$ 58
Other	-	-	92,000	-	-
Total Receipts	$ -	$ 1	$ 92,021	$ 25	$ 58
EXPENDITURES					
Other	$ 100	$ 300	$ 12,100	$ 100	$ 300
RECEIPTS OVER (UNDER) EXPENDITURES	$ (100)	$ (299)	$ 79,921	$ (75)	$ (242)
UNENCUMBERED CASH - BEGINNING	939	1,241	169,683	2,417	3,860
UNENCUMBERED CASH - ENDING	$ 839	$ 942	$ 249,604	$ 2,342	$ 3,618

USD 415 - HIAWATHA
Hiawatha, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2021

	Balance July 1, 2020	Cash Receipts	Cash Disbursements	Balance June 30, 2021
Student Organization Funds				
Middle School				
Miscellaneous	$ 39	$ -	$ -	$ 39
Sales tax	385	985	868	502
Student Council	4,550	3,267	3,661	4,156
Trips and fundraisers	2,828	1,594	2,851	1,571
Yearbook miscellaneous	543	-	-	543
Total Middle School	$ 8,345	$ 5,846	$ 7,380	$ 6,811
High School				
Clubs	$ 70,334	$ 104,234	$ 132,342	$ 42,226
Graduating Classes	3,774	19,227	17,102	5,899
Integration Fund	3,436	-	-	3,436
Miscellaneous	7,874	5,207	9,757	3,324
Sales tax	21	-	16	5
Total High School	$ 85,439	$ 128,668	$ 159,217	$ 54,890
Total Agency Funds	$ 93,784	$ 134,514	$ 166,597	$ 61,701

USD 415 - HIAWATHA
Hiawatha, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Elementary School						
Pictures	$ 6,302	$ 6,577	$ 8,154	$ 4,725	$ -	$ 4,725
Middle School						
Athletic/Student Activities	$ 8,897	$ 6,283	$ 9,345	$ 5,835	$ -	$ 5,835
Yearbook	5,276	1,590	1,595	5,271	-	5,271
Student Incentives & Rewards	3,486	1,505	1,531	3,460	-	3,460
Total Middle School	$ 17,659	$ 9,378	$ 12,471	$ 14,566	$ -	$ 14,566
High School						
School Musical	$ 3,093	$ 3,573	$ 4,387	$ 2,279	$ -	$ 2,279
Athletics	64,957	61,758	74,428	52,287	-	52,287
Yearbook	9,038	3,882	1,310	11,610	-	11,610
Total High School	$ 77,088	$ 69,213	$ 80,125	$ 66,176	$ -	$ 66,176
Total District Activity Funds	$ 101,049	$ 85,168	$ 100,750	$ 85,467	$ -	$ 85,467

VARNEY
& ASSOCIATES, CPAs, LLC

February 26, 2022

Board of Education
Hiawatha Unified School District No. 415
Hiawatha, Kansas

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

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 the Hiawatha Unified School District No. 415 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated February 26, 2022.

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the 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 the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

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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 District'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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

VARNEY
& ASSOCIATES, CPAs, LLC



February 26, 2022

Board of Education
Hiawatha Unified School District No. 415
Hiawatha, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With The Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the compliance of Hiawatha Unified School District No. 415 (the District) with the types of compliance requirements described in the U.S. *Office of Management and Budget (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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for 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 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.

This 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. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

HIAWATHA UNIFIED SCHOOL DISTRICT NO. 415
Hiawatha, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

	Federal CFDA Number		Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Dept. of Agriculture					
Passed through State Department of Education					
Child Nutrition Cluster					
Food Assistance - Lunch	10.555	*	D0415	$ 44,602	$ -
Food Assistance - Summer Food	10.559	*	D0415	393,704	-
Total Child Nutrition Cluster				$ 438,306	$ -
U.S. Dept. of Education					
Passed through State Department of Education					
Title I	84.010		D0415	$ 208,351	$ -
Career & Technical Education	84.048		D0415	490	-
Title IIA Fund	84.367		D0415	34,320	-
Student Support & Academic Enrichment	84.424		D0415	19,262	-
COVID-19 - Elementary and Secondary School Emergency Relief	84.425D		D0415	160,105	-
Total U.S. Dept. of Education				$ 422,528	$ -
TOTAL FEDERAL ASSISTANCE				$ 860,834	$ -

* Major Program

NOTE 1: Organization

The District is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

NOTE 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

NOTE 3: Non-cash Assistance, Insurance and Loans

The District did not receive or expend any federal awards in the form of non-cash assistance, insurance, loans or loan guarantees, including interest subsidies during the year ended June 30, 2021.

HIAWATHA UNIFIED SCHOOL DISTRICT NO. 415
Hiawatha, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statements noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)	___ Yes	X No

Identification of major programs:

Name of Federal Program	CFDA Number
Food Assistance - Lunch	10.555
Food Assistance - Summer Food	10.559

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	___ Yes	X No

NOTE: Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status changed by the U.S. Office of Management and Budget (OMB). Specifically, the auditee status changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported