SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 239

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

JUNE 30, 2021

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SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Education
Unified School District No. 239
Minneapolis, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 239, Minneapolis, Kansas, as of and for the year ended June 30, 2021 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note 2 of the financial statement, the financial statement is prepared by Unified School District No. 239 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 239, as of June 30, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 239, as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Other Matters

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 239, as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated December 29, 2020, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/oar/municipal-services. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2020, on the basis of accounting described in Note 2.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2022, on our consideration of the Unified School District No. 239's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 239's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 239's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas

February 3, 2022

UNIFIED SCHOOL DISTRICT NO. 239
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

STATEMENT 1

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	$ -	$ 5,300,497	$ 5,300,497	$ -	$ -	$ -
Supplemental General	58,394	1,770,066	1,761,952	66,508	35,566	102,074
Special Purpose Funds:						
Capital Outlay	750,297	557,762	554,618	753,441	-	753,441
Driver Training	40,119	3,264	11,318	32,065	121	32,186
Food Service	34,723	464,210	445,193	53,740	-	53,740
At Risk (K-12)	39,870	506,000	495,804	50,066	-	50,066
Professional Development	50,019	8,488	14,771	43,736	-	43,736
Parent Education	15,134	32,600	35,497	12,237	1,218	13,455
Special Education	293,989	1,256,695	1,266,919	283,765	-	283,765
Career and Postsecondary Education	33,803	95,000	98,192	30,611	-	30,611
KPERS Special Retirement Contribution	-	587,163	587,163	-	-	-
Summer School	10	-	-	10	-	10
Student Revolving	-	77,226	42,226	35,000	-	35,000
Title I	-	88,333	88,333	-	-	-
Title II-A	-	14,892	14,892	-	-	-
Title IV-A	-	13,377	13,377	-	-	-
REAP Grant	(37,649)	71,695	34,046	-	-	-
Elementary & Secondary School Emergency Relief Funding I	-	61,222	61,222	-	-	-
Elementary & Secondary School Emergency Relief Funding II	-	62,177	127,197	(65,020)	30	(64,990)
Strengthening People and Revitalizing Kansas	-	315,029	315,029	-	-	-

The accompanying notes are an integral part of the financial statement.

UNIFIED SCHOOL DISTRICT NO. 239
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

STATEMENT 1

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Contingency Reserve	$ 400,000	$ 200,000	$ 200,000	$ 400,000	$ -	$ 400,000
District Activity Funds	24,982	106,230	104,076	27,136	-	27,136
Bond and Interest Fund:						
Bond and Interest	781,249	908,073	877,325	811,997	-	811,997
Capital Project Fund:						
Construction	29,630	1,897	7,981	23,546	-	23,546
Trust Fund:						
Gifts and Grants	34,545	122,373	87,337	69,581	-	69,581
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)	$ 2,549,115	$ 12,624,269	$ 12,544,965	$ 2,628,419	$ 36,935	$ 2,665,354

COMPOSITION OF CASH:	
Checking and Savings Accounts	$ 2,711,554
Agency Funds per Schedule 3	(46,200)
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)	$ 2,665,354

1. REPORTING ENTITY

Unified School District No. 239 (the District) is a municipal corporation governed by a citizen-elected seven-member Board of Education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Special Purpose Fund - Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Projects 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 payment of long-term debt.

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

Trust Fund – Used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

3. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but a 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. There were no budget amendments for this year.

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

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

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

Student Revolving Fund	Title I Fund
Title II-A Fund	Title IV-A Fund
REAP Grant Fund	Contingency Reserve Fund
District Activity Funds	Gifts and Grants Fund
Construction Fund	
Elementary & Secondary School Emergency Relief I Fund	
Elementary & Secondary School Emergency Relief II Fund	
Strengthening People and Revitalizing Kansas Fund	

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

4. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at June 30, 2021.

At June 30, 2021, the District's carrying amount of deposits was $2,711,554 and the bank balance was $2,962,270. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining $2,462,270 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

5. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $301,054 for General State Aid and $67,986 for Supplemental General State Aid 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.

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Authority	Amount
General Fund	Parent Education Fund	K.S.A. 72-5167	$ 9,000
General Fund	Special Education Fund	K.S.A. 72-5167	942,944
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	30,000
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	200,000
General Fund	At Risk Fund (K-12)	K.S.A. 72-5167	376,000
General Fund	Student Revolving Fund	K.S.A. 72-5167	35,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-5143	5,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	303,354
Supplemental General Fund	At Risk Fund (K-12)	K.S.A. 72-5143	130,000
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	65,000
Contingency Reserve Fund	Supplemental General Fund	K.S.A. 72-5165	200,000

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $587,163 for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the net pension liability reported by KPERS was $6,526,135. 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.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits. As provided by K.S.A. 12-5040, the District allows retirees under age 65 to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium, regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

Death and Disability Other Post-Employment Benefits. As provided by K.S.A 74-4927, disabled members in the Kansas Public Employee Retirement System (KPERS) receive long-term disability benefits and life

insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2021.

Termination Benefits. The District provides an early retirement program for certain eligible employees who have completed 15 years of service with the District and have met the KPERS early retirement criteria. Those eligible under this program may receive benefits for the four years prior to being eligible for full social security benefits. The annual amount is calculated by multiplying the years of service by the largest salary at the time of application for the preceding five years multiplied by a rate factor noted in the negotiated agreement. Payments to retired employees under this plan were $44,628 for the year ended June 30, 2021.

Compensated Absences. The District provides compensation for absences. Full time, twelve-month classified employees earn vacation at the rate of 10 days per year for employment of 10 years or less and 15 days per year for employees with more than 10 years. The maximum accumulation of vacation leave is 20 days. When an employee ceases employment, they are paid for unused vacation leave up to a maximum of 10 days at the employee's regular daily rate of pay.

Classified employees also earn 10 days of paid leave per year, to be used for sick, bereavement, or personal leave, however personal leave is limited to 2 days per year. Unused paid leave will be accumulated to a maximum of 90 days. Certified employees earn two personal days per year. A total of 3 days personal days may be accumulated for employees that have less than four years of service and a total of 4 days for four or more years of service. Unused personal and discretionary days are not reimbursable.

Certified employees earn 10 days sick leave each year for the first six years of service and 20 days sick leave per year for greater than six years of service. Certified employees can carry forward up to 60 sick leave days and may be paid for any unused days over 60 days at the end of the year, at the rate of $20 per day up to a maximum of 10 days. Certified employees that cease employment due to retirement or death are paid $35 per day for unused sick leave up to a maximum of 20 days.

9. RISK AND UNCERTAINTIES

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

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

10. RELATED PARTIES

During the year ended June 30, 2021, the District employed one immediate family member of the superintendent and one immediate family member of a board member.

11. COMPLIANCE WITH KANSAS STATUTES

The unencumbered cash balance in the Elementary & Secondary School Emergency Relief II (ESSER II) fund was negative $65,020 at June 30, 2021. The ESSER II funding is on a reimbursement basis. The District expensed $65,020 during the June 30, 2021 and the reimbursement was not awarded until the subsequent year. The negative balance was caused by the timing of the reimbursement.

12. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2021 through February 3, 2022. The aforementioned date represents the date the financial statement was available to be issued.

13. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Refunding Series 2013	2.0%/2.3%	5/8/2013	$4,610,000	9/1/2027	$ 3,425,000	$ -	$ 365,000	$ 3,060,000	$ 67,755
Series 2015	3.0%/4.0%	5/1/2015	9,625,000	9/1/2035	9,320,000	-	135,000	9,185,000	309,550
Total General Obligation Bonds					$ 12,745,000	$ -	$ 500,000	$ 12,245,000	$ 377,305

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

	Year							
	2022	2023	2024	2025	2026	2027-2031	2032-2036	Total
Principal:								
Refunding Series 2013	$ 380,000	$ 400,000	$ 415,000	$ 435,000	$ 455,000	$ 975,000	$ -	$ 3,060,000
Series 2015	150,000	165,000	185,000	200,000	220,000	3,015,000	5,250,000	9,185,000
Total Principal	530,000	565,000	600,000	635,000	675,000	3,990,000	5,250,000	12,245,000
Interest:								
Refunding Series 2013	60,305	52,505	44,355	35,855	26,728	22,475	-	242,223
Series 2015	305,275	300,550	295,300	289,525	283,225	1,228,494	505,181	3,207,550
Total Interest	365,580	353,055	339,655	325,380	309,953	1,250,969	505,181	3,449,773
Total Principal and Interest	$ 895,580	$ 918,055	$ 939,655	$ 960,380	$ 984,953	$ 5,240,969	$ 5,755,181	$ 15,694,773

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 239
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE 1

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)
General Funds:						
General	$ 5,347,101	$ (46,604)	$ -	$ 5,300,497	$ 5,300,497	$ -
Supplemental General	1,777,288	(15,336)	-	1,761,952	1,761,952	-
Special Purpose Funds:						
Capital Outlay	1,250,000	-	-	1,250,000	554,618	(695,382)
Driver Training	40,100	-	-	40,100	11,318	(28,782)
Food Service	420,420	-	24,773	445,193	445,193	-
At Risk (K-12)	620,000	-	-	620,000	495,804	(124,196)
Professional Development	85,100	-	-	85,100	14,771	(70,329)
Parent Education	48,780	-	-	48,780	35,497	(13,283)
Special Education	1,320,241	-	-	1,320,241	1,266,919	(53,322)
Career and Postsecondary Education	120,000	-	-	120,000	98,192	(21,808)
KPERS Special Retirement Contribution	671,693	-	-	671,693	587,163	(84,530)
Summer School	-	-	-	-	-	-
Bond and Interest Fund:						
Bond and Interest	877,405	-	-	877,405	877,325	(80)

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
General Aid	$ 4,353,937	$ 4,546,209	$ 4,536,203	$ 10,006
Special Education Aid	694,675	754,288	810,898	(56,610)
Reimbursements	1,517	-	-	-
Total Receipts	5,050,129	5,300,497	$ 5,347,101	$ (46,604)
Expenditures				
Instruction	$ 2,378,771	$ 2,431,571	$ 2,387,000	$ 44,571
Student Support Services	208,168	215,605	216,308	(703)
Instructional Support Staff	56,116	52,925	57,600	(4,675)
General Administration	221,716	240,635	228,100	12,535
School Administration	380,179	390,494	395,500	(5,006)
Operations and Maintenance	120,615	107,581	116,980	(9,399)
Transportation	245,274	261,436	264,000	(2,564)
Operating Transfers	1,432,889	1,592,944	1,673,113	(80,169)
Community Service Operations	6,401	7,306	8,500	(1,194)
Adjustment to Comply with Legal Max	-	-	(46,604)	46,604
Total Expenditures	5,050,129	5,300,497	$ 5,300,497	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 643,501	$ 676,768	$ 629,881	$ 46,887
Delinquent Tax	16,470	11,630	6,630	5,000
Motor Vehicle Tax	58,635	53,260	52,168	1,092
Recreational Vehicle Tax	1,133	1,227	967	260
16/20M Vehicle Tax	5,540	5,350	-	5,350
Commercial Vehicle Tax	2,154	1,819	2,099	(280)
Supplemental State Aid	779,951	820,012	827,150	(7,138)
Operating Transfers	200,000	200,000	200,000	-
Total Receipts	1,707,384	1,770,066	$ 1,718,895	$ 51,171
Expenditures				
Instruction	597,864	681,351	$ 667,000	$ 14,351
Student Support Services	21,000	22,166	22,100	66
Instructional Support Staff	4,703	3,975	5,000	(1,025)
General Administration	62,769	46,748	38,000	8,748
School Administration	84,887	54,190	96,500	(42,310)
Operations and Maintenance	379,333	450,168	407,000	43,168
Operating Transfers	555,000	503,354	541,688	(38,334)
Adjustment to Comply with Legal Max	-	-	(15,336)	15,336
Total Expenditures	1,705,556	1,761,952	$ 1,761,952	$ -
Receipts Over (Under) Expenditures	1,828	8,114		
Unencumbered Cash, Beginning	56,566	58,394		
Unencumbered Cash, Ending	$ 58,394	$ 66,508		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 333,248	$ 363,656	$ 348,303	$ 15,353
Delinquent Tax	4,946	5,280	3,423	1,857
Motor Vehicle Tax	15,197	28,653	28,022	631
Recreational Vehicle Tax	298	658	519	139
16/20M Vehicle Tax	956	2,688	-	2,688
Commercial Vehicle Tax	1,064	946	1,127	(181)
Interest on Idle Funds	12,167	3,624	-	3,624
Other Sources	4,570	26,838	-	26,838
Capital Outlay State Aid	114,955	125,419	126,562	(1,143)
Operating Transfers	26,810	-	38,113	(38,113)
Total Receipts	514,211	557,762	$ 546,069	$ 11,693
Expenditures				
Instruction	$ 7,375	$ 31,500	$ 220,000	$ (188,500)
Student Support Services	129,244	-	100,000	(100,000)
Instructional Support Staff	-	-	100,000	(100,000)
General Administration	-	-	100,000	(100,000)
School Administration	-	-	100,000	(100,000)
Operations and Maintenance	341,749	477,939	390,000	87,939
Transportation	61,787	42,934	65,000	(22,066)
Facility Acquisition and Construction	250,000	2,245	175,000	(172,755)
Total Expenditures	790,155	554,618	$ 1,250,000	$ (695,382)
Receipts Over (Under) Expenditures	(275,944)	3,144		
Unencumbered Cash, Beginning	1,026,241	750,297		
Unencumbered Cash, Ending	$ 750,297	$ 753,441		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 4,290	$ 3,264	$ 2,250	$ 1,014
Expenditures				
Instruction	66	3,000	$ 15,100	$ (12,100)
Vehicle Operating Service	-	8,318	25,000	(16,682)
Total Expenditures	66	11,318	$ 40,100	$ (28,782)
Receipts Over (Under) Expenditures	4,224	(8,054)		
Unencumbered Cash, Beginning	35,895	40,119		
Unencumbered Cash, Ending	$ 40,119	$ 32,065		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 4,351	$ 4,491	$ 3,180	$ 1,311
Federal Aid	240,267	429,834	186,672	243,162
Local Receipts	143,288	29,885	167,641	(137,756)
Operating Transfers	17,000	-	30,000	(30,000)
Total Receipts	404,906	464,210	$ 387,493	$ 76,717
Expenditures				
Food Service Operation	410,061	445,193	$ 420,420	$ 24,773
Adjustment for Qualifying Budget Credits	-	-	24,773	(24,773)
Total Expenditures	410,061	445,193	$ 445,193	$ -
Receipts Over (Under) Expenditures	(5,155)	19,017		
Unencumbered Cash, Beginning	39,878	34,723		
Unencumbered Cash, Ending	$ 34,723	$ 53,740		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 555,000	$ 506,000	$ 615,000	$ (109,000)
Expenditures				
Instruction	558,518	495,804	$ 620,000	$ (124,196)
Receipts Over (Under) Expenditures	(3,518)	10,196		
Unencumbered Cash, Beginning	43,388	39,870		
Unencumbered Cash, Ending	$ 39,870	$ 50,066		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 4,468	$ 3,488	$ 4,500	$ (1,012)
Operating Transfers	20,000	5,000	40,000	(35,000)
Total Receipts	24,468	8,488	$ 44,500	$ (36,012)
Expenditures				
Student Support Services	32,875	14,771	$ 85,100	$ (70,329)
Receipts Over (Under) Expenditures	(8,407)	(6,283)		
Unencumbered Cash, Beginning	58,426	50,019		
Unencumbered Cash, Ending	$ 50,019	$ 43,736		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 23,982	$ 23,600	$ 24,000	$ (400)
Operating Transfers	-	9,000	10,000	(1,000)
Total Receipts	23,982	32,600	$ 34,000	$ (1,400)
Expenditures				
Instruction	30,324	28,213	$ 32,780	$ (4,567)
Student Support Services	5,038	6,785	16,000	(9,215)
Instructional Support Staff	614	499	-	499
Total Expenditures	35,976	35,497	$ 48,780	$ (13,283)
Receipts Over (Under) Expenditures	(11,994)	(2,897)		
Unencumbered Cash, Beginning	27,128	15,134		
Unencumbered Cash, Ending	$ 15,134	$ 12,237		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid	$ -	$ 10,397	$ -	$ 10,397
Operating Transfers	1,136,675	1,246,298	1,176,688	69,610
Total Receipts	1,136,675	1,256,695	$ 1,176,688	$ 80,007
Expenditures				
Instruction	972,743	1,084,042	$ 1,128,741	$ (44,699)
Student Support Services	18,456	2,637	17,000	(14,363)
Instructional Support Staff	65,843	69,313	69,200	113
Vehicle Operating Service	73,537	97,092	92,000	5,092
Vehicle Service and Maintenance	11,424	13,196	12,500	696
Other Student Transportation Service	724	639	800	(161)
Total Expenditures	1,142,727	1,266,919	$ 1,320,241	$ (53,322)
Receipts Over (Under) Expenditures	(6,052)	(10,224)		
Unencumbered Cash, Beginning	300,041	293,989		
Unencumbered Cash, Ending	$ 293,989	$ 283,765		

UNIFIED SCHOOL DISTRICT NO. 239
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 17,387	$ -	$ -	$ -
Operating Transfers	74,000	95,000	105,000	(10,000)
Total Receipts	91,387	95,000	$ 105,000	$ (10,000)
Expenditures				
Instruction	94,993	98,192	$ 120,000	$ (21,808)
Receipts Over (Under) Expenditures	(3,606)	(3,192)		
Unencumbered Cash, Beginning	37,409	33,803		
Unencumbered Cash, Ending	$ 33,803	$ 30,611		

UNIFIED SCHOOL DISTRICT NO. 239
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 627,048	$ 587,163	$ 671,693	$ (84,530)
Expenditures				
Employee Benefits	627,048	587,163	$ 671,693	$ (84,530)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 239
SUMMER SCHOOL 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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ -	$ -	$ -	$ -
Expenditures				
Instruction	-	-	$ -	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	10	10		
Unencumbered Cash, Ending	$ 10	$ 10		

UNIFIED SCHOOL DISTRICT NO. 239
STUDENT REVOLVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Rental and Fees	$ 39,450	$ 42,226
Operating Transfers	-	35,000
Total Receipts	39,450	77,226
Expenditures		
Materials and Supplies	39,450	42,226
Receipts Over (Under) Expenditures	-	35,000
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 35,000

UNIFIED SCHOOL DISTRICT NO. 239
TITLE I FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 73,672	$ 88,333
Expenditures		
Instruction	73,672	88,333
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 239
TITLE II-A FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 14,876	$ 14,892
Expenditures		
Instruction	14,876	14,892
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 239
TITLE IV-A FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 12,801	$ 13,377
Expenditures		
Instruction	12,801	13,377
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 239
REAP GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 26,312	$ 71,695
Expenditures		
Instruction	61,461	34,046
Instructional Support Staff	2,500	-
Total Expenditures	63,961	34,046
Receipts Over (Under) Expenditures	(37,649)	37,649
Unencumbered Cash, Beginning	-	(37,649)
Unencumbered Cash, Ending	$ (37,649)	$ -

UNIFIED SCHOOL DISTRICT NO. 239
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF I FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ -	$ 61,222
Expenditures		
Instruction	-	61,222
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 239
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF II FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ -	$ 62,177
Expenditures		
Instruction	-	114,311
Student Support Services	-	3,077
Operations and Maintenance	-	9,809
Total Expenditures	-	127,197
Receipts Over (Under) Expenditures	-	(65,020)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (65,020)

UNIFIED SCHOOL DISTRICT NO. 239
STRENGTHENING PEOPLE AND REVITALIZING KANSAS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ -	$ 315,029
Expenditures		
Instruction	-	272,840
Student Support Services	-	10,628
Operations and Maintenance	-	31,561
Total Expenditures	-	315,029
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 239
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	$ 158,404	$ 200,000
Expenditures		
Operating Transfers	200,000	200,000
Receipts Over (Under) Expenditures	(41,596)	-
Unencumbered Cash, Beginning	441,596	400,000
Unencumbered Cash, Ending	$ 400,000	$ 400,000

UNIFIED SCHOOL DISTRICT NO. 239
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 500,254	$ 546,707	$ 523,348	$ 23,359
Delinquent Tax	9,927	8,250	5,168	3,082
Motor Vehicle Tax	34,278	39,914	39,148	766
Recreational Vehicle Tax	665	924	724	200
16/20M Vehicle Tax	2,984	3,812	-	3,812
Commercial Vehicle Tax	1,525	1,409	1,575	(166)
State Aid	291,815	307,057	307,057	-
Operating Transfers	25,000	-	-	-
Total Receipts	866,448	908,073	$ 877,020	$ 31,053
Expenditures				
Principal	470,000	500,000	$ 500,000	$ -
Interest	388,280	377,305	377,305	-
Fees	-	20	100	(80)
Total Expenditures	858,280	877,325	$ 877,405	$ (80)
Receipts Over (Under) Expenditures	8,168	30,748		
Unencumbered Cash, Beginning	773,081	781,249		
Unencumbered Cash, Ending	$ 781,249	$ 811,997		

UNIFIED SCHOOL DISTRICT NO. 239
CONSTRUCTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Interest on Idle Funds	$ 1,815	$ 1,897
Expenditures		
Facility Construction	23,476	7,981
Operating Transfers	25,000	-
Total Expenditures	48,476	7,981
Receipts Over (Under) Expenditures	(46,661)	(6,084)
Unencumbered Cash, Beginning	76,291	29,630
Unencumbered Cash, Ending	$ 29,630	$ 23,546

UNIFIED SCHOOL DISTRICT NO. 239
GIFTS AND GRANTS 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Private Source Contributions	$ 103,203	$ 122,373
Expenditures		
Instruction	28,355	27,067
Student Support Services	-	1,021
Instructional Support Staff	482	493
Operations and Maintenance	21,885	-
Food Service Operations	776	-
Community Services Operations	52,999	58,756
Total Expenditures	104,497	87,337
Receipts Over (Under) Expenditures	(1,294)	35,036
Unencumbered Cash, Beginning	35,839	34,545
Unencumbered Cash, Ending	$ 34,545	$ 69,581

UNIFIED SCHOOL DISTRICT NO. 239
AGENCY FUND
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE 3

Agency Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organization Funds				
Minneapolis Junior/Senior High School				
Class of 2021	$ 3,453	$ 3,410	$ 6,704	$ 159
Class of 2022	2,947	1,430	2,259	2,118
Class of 2023	1,346	255	-	1,601
Class of 2024	-	405	25	380
Cheerleaders - High School	3,520	1,710	3,488	1,742
Cheerleaders - Junior High School	710	3,592	3,396	906
Coffee Shop	-	27,600	26,216	1,384
Economics Club	161	-	-	161
Entrepreneur	2,214	-	2,214	-
New Image	12,301	3,335	5,459	10,177
Performing Arts	96	-	-	96
Art Club	1,259	1,020	1,539	740
Drama	1,864	1,065	1,704	1,225
CFL Forensics	-	177	-	177
Trama Team	-	1,950	1,744	206
Student Council - High School	4,150	56	836	3,370
Student Council - Junior High School	1,172	-	88	1,084
National FFA Organization	12,020	37,522	31,512	18,030
FCCLA	882	-	-	882
Science Club - High School	145	-	-	145
Science Club - Junior High School	1,332	-	364	968
National Honor Society	913	411	690	634
Subtotal Minneapolis Jr/Sr HS	50,485	83,938	88,238	46,185
Minneapolis Grade School				
Field Trip	15	2,758	2,758	15
Total Student Organizations Funds	50,500	86,696	90,996	46,200
Payroll Clearing	-	13,793	13,793	-
Total Agency Funds	$ 50,500	$ 100,489	$ 104,789	$ 46,200

UNIFIED SCHOOL DISTRICT NO. 239
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE 4

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts					
CFL Forensics	$ 177	$ -	$ 177	$ -	$ -
End Zone Camera	873	7,174	6,334	1,713	1,713
Junior/Senior High School	14,026	35,557	35,271	14,312	14,312
Subtotal Gate Receipts	15,076	42,731	41,782	16,025	16,025
School Projects					
Grade School Yearbook	285	53	-	338	338
Entrepreneur	-	7,241	5,034	2,207	2,207
Student Service	4,945	733	1,632	4,046	4,046
Stuco Vending	923	4,099	3,089	1,933	1,933
Survivor	683	286	286	683	683
Teacher Appreciation	574	-	195	379	379
Concession Stand	2,496	5,007	5,978	1,525	1,525
Subtotal School Projects	9,906	17,419	16,214	11,111	11,111
Revolving Funds					
Minneapolis Jr/Sr High School	-	32,368	32,368	-	-
Minneapolis Grade School	-	13,712	13,712	-	-
Total Revolving Funds	-	46,080	46,080	-	-
Total District Activity Funds	$ 24,982	$ 106,230	$ 104,076	$ 27,136	$ 27,136

UNIFIED SCHOOL DISTRICT NO. 239

SINGLE AUDIT SECTION

JUNE 30, 2021

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

To the Board of Education of Unified School District No. 239:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 239 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated January XX, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 239's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 239's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 239's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 239's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 239's Response to Findings

Unified School District No. 239's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 239's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas
February 3, 2022

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

To the Board of Education of Unified School District No. 239:

Report on Compliance for the Major Federal Programs

We have audited Unified School District No. 239's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 239's major federal programs for the year ended June 30, 2021. Unified School District No. 239's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 239's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 239's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 239's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 239 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

Unified School District No. 239's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 239's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Unified School District No. 239 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. 239's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 239's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-002, that we consider to be a significant deficiency.

Unified School District No. 239's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs Unified School District No. 239's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas

February 3, 2022

UNIFIED SCHOOL DISTRICT NO. 239
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Unified School District No. 239 which were prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. A significant deficiency was identified in the design or operation of internal control over financial reporting. No material weaknesses were identified.

3. No instances of noncompliance material to the financial statements of Unified School District No. 239, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. A significant deficiency disclosed during the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses are reported.

5. The auditor's report on compliance for each major federal program for Unified School District No. 239 expresses an unmodified opinion on all major federal programs.

6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.

7. The programs tested as a major program were:

   Assistance Listing Number 10.555 and 10.559 Child Nutrition Cluster
   Assistance Listing Number 21.019 Coronavirus Relief Fund

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

9. Unified School District No. 239 was determined to not be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 239
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINDINGS – FINANCIAL STATEMENT

2021-001 Internal Controls over Financial Statement Presentation (Significant Deficiency)

Criteria: An effective internal control system exists if controls are effective in preventing or detecting material misstatements in the preparation of the schedule of federal expenditures of federal awards (the schedule). It provides reasonable assurance for the reliability of financial information and compliance with laws and regulations.

Condition: We have determined that there was an inadequate design of internal control over the preparation of the schedule during the fiscal year ended June 30, 2021. The current financial reporting process does not ensure conformity with the regulatory basis of accounting

Cause: The District's policies and procedures were not designed to prepare the schedule in conformity with the regulatory basis of accounting.

Effect: The District did not prepare the schedule in conformity with the regulatory basis of accounting, which increases the likelihood of a material misstatement and noncompliance with laws and regulations.

Recommendation: We recommend the Board of Education and management review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure conformity with the regulatory basis of accounting,

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper written policies and procedures for the internal control over financial reporting to ensure conformity with the regulatory basis of accounting.

FINDINGS AND QUESTIONED COSTS – FEDERAL PROGRAMS

2021-002 Written Procedures of Internal Control over Compliance (Significant Deficiency)

Federal Agencies: U.S. Department of Agriculture and U.S. Department of Treasury
Program Names: Child Nutrition Cluster and Coronavirus Relief Fund
Assistance Listing Numbers: 10.555 and 10.559, Child Nutrition Cluster and 21.019, Coronavirus Relief Fund
Award period: Year ended June 30, 2021

Criteria: According to 2 CFR 200, Subparts D and E an organization is required to maintain written policies for the internal control over compliance of federal awards.

Condition: The District does not maintain these written policies for the internal control over compliance of federal awards.

Cause: The District's policies and procedures were not designed to include written policies for the internal control over compliance of federal awards.

Effect: The absence of these written policies and procedures increases the risk that noncompliance of federal awards could occur and go undetected.

Recommendation: We recommend that the District develop written policies for the internal control over compliance of federal awards.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper written policies for the internal control over compliance of federal awards.

UNIFIED SCHOOL DISTRICT NO. 239
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

PRIOR YEAR AUDIT FINDINGS

FINDING – FINANCIAL STATEMENT

None.

FINDING – MAJOR FEDERAL PROGRAMS

None.

OTHER INFORMATION

UNIFIED SCHOOL DISTRICT NO. 239
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Grantor and Number	Federal Expenditures
Child Nutrition Cluster			
United States Department of Agriculture			
(COVID-19) National School Lunch Program	10.555	Kansas State Department of Education,3530-3500	$ 10,005
Summer Food Service Program for Children	10.559	Kansas State Department of Education,3230-3020	400,403
Total United States Department of Agriculture			410,408
Total Child Nutrition Cluster			410,408
Other Programs			
Department of Education			
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education,3532-3520	88,333
Rural Education	84.358		34,046
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education,3526-3860	14,892
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education,3113-3113	13,377
(COVID-19) Education Stabilization Fund Under The Coronavirus Aid, Relief,And Economic Security Act	84.425	Kansas State Department of Education,3233-3040	198,815
Total Department of Education			349,463
Department of the Treasury			
(COVID-19) Coronavirus Relief Fund	21.019	Ottawa County, Kansas	315,029
Total Department of the Treasury			315,029
United States Department of Agriculture			
Child and Adult Care Food Program	10.558	Kansas State Department of Education,3531-3510	2,378
Child Nutrition Discretionary Grants Limited Availability	10.579	Kansas State Department of Education,3230-3020	17,048
Total United States Department of Agriculture			19,426
Total Other Programs			683,918
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,094,326

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 239
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 239 (the District) and is presented on the regulatory basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. DE MINIMIS INDIRECT COST RATE

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