SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 203

REGULATORY BASIS FINANCIAL STATEMENT
INDEPENDENT AUDITOR'S REPORT, AND REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2021

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SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Education
Unified School District No. 203
Kansas City, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 203, Kansas City, Kansas, as of and for the year ended June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 203 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on 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. 203, 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. 203, as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

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

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. 203, Kansas City, Kansas as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated October 5, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services. 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 1.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2022, on our consideration of Unified School District No. 203'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. 203'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. 203's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
September 23, 2022

UNIFIED SCHOOL DISTRICT NO. 203 **STATEMENT 1**
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Governmental type funds							
General funds:							
General	$ -	$ 12,330	$ 16,740,594	$ 16,752,924	$ -	$ 207,054	$ 207,054
Supplemental general	536,753	5,920	5,474,275	5,469,631	547,317	8,486	555,803
Special purpose funds:							
Federal funds	-	-	92,571	137,719	(45,148)	-	(45,148)
At risk (4 year old)	92,021	-	215,292	207,542	99,771	-	99,771
At risk (K-12)	362,713	-	766,816	815,646	313,883	-	313,883
Bilingual	40,000	-	127,491	125,454	42,037	-	42,037
Virtual education	300	-	60,801	61,101	-	-	-
Capital outlay	1,177,017	-	2,414,316	2,897,389	693,944	275,757	969,701
Food service	315,885	-	717,557	819,992	213,450	-	213,450
Professional development	36,963	-	3,169	23,793	16,339	1,150	17,489
Parents as teachers	4,558	-	-	-	4,558	-	4,558
Summer school	25,000	-	907	107	25,800	-	25,800
Special education	1,397,786	-	4,140,056	3,973,169	1,564,673	2,759	1,567,432
Cost of living	14,017	-	532,267	511,783	34,501	-	34,501
Career and postsecondary education	166,545	-	417,407	583,950	2	-	2
Gift and grant	494,279	-	124,138	168,059	450,358	1,000	451,358
KPERS special retirement contribution	-	-	1,962,810	1,962,810	-	-	-
Contingency reserve	429,475	-	-	-	429,475	-	429,475
Textbook and student material	174,229	-	221,565	13,711	382,083	-	382,083
CARES Act WYCO	(261,708)	-	380,000	118,292	-	-	-
Esser I	(2,208)	-	104,143	101,935	-	-	-
Esser II	-	-	-	235,458	(235,458)	-	(235,458)
Gate receipts	65,419	-	28,886	39,488	54,817	-	54,817
School projects	44,516	-	68,668	65,953	47,231	-	47,231
Bond and interest fund:							
Bond and interest	6,200,299	-	3,606,357	4,097,872	5,708,784	-	5,708,784
Capital project fund:							
Construction	11,290,789	-	34,850	6,917,942	4,407,697	52,387	4,460,084
Trust fund:							
Scholarship	101,334	-	142	2,250	99,226	-	99,226
Total reporting entity (excluding agency fund)	$ 22,705,982	$ 18,250	$ 38,235,078	$ 46,103,970	$ 14,855,340	$ 548,593	$ 15,403,933
Composition of cash:							
Checking							$ 10,254,613
Checking - activity accounts							519,370
Scholarship savings							99,226
Money market							1,024,983
Investments							3,923,063
Total cash							15,821,255
Less agency funds							(417,322)
Total reporting entity (excluding agency funds)							$ 15,403,933

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Unified School District No. 203 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 203. There are no related municipal entities presented.

Regulatory Basis Fund Types

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

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

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

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

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

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

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. 75-1120aI, waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

2. 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 enterprise (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 the 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 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. There were no such amendments during the 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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Contingency Reserve Fund	Textbook and Student Material Revolving Fund
Gifts and Grants Fund	Federal Funds
ESSER I and II Funds	CARES Act Fund

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

3. DEPOSITS AND INVESTMENTS

As of June 30, 2021, the District had the following investments and maturities:

		Investment Maturites (in Years)		
Investment Type	Fair Value	Less than 1	1-2	Rating U.S.
Kansas Municipal Investment Pool	$ 3,923,063	$ 3,923,063	$ -	N/A

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 bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2021, is as follows:

Investment	Percentage of Investments
Kansas Municipal Investment Pool	100%

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

At June 30, 2021, the District's carrying amount of deposits was $11,898,192 and the bank balance was $14,662,562. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance, and the remaining $14,412,562 was collateralized with securities held by the pledging financial institution's agent in the District's name.

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.

At June 30, 2021, the District had invested $3,923,063 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $886,330 for General Fund and $133,506 for Supplemental General Fund 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.

5. CAPITAL PROJECTS

Capital project authorizations with approved change orders for the new elementary school and District improvements total $37,891,983 and expenditures to date total $29,506,690.

6. LONG-TERM DEBT

On November 6, 2007, voters in the District authorized the issuance of up to $29.9 million of general obligation bonds to fund a variety of improvements throughout the District. The projects included the construction of a new elementary school, the renovation of Piper High School, and security and technology upgrades throughout the District. The issuance of bonds was made in three different series consisting of Series 2008-A, 2008-B, and 2009-A.

On March 1, 2013, the District issued refunding bonds in the amount of $3,420,000 (Series 2013-A). The proceeds from these bonds were placed in escrow to refund $2,690,000 of the Series 2008-B bonds maturing in 2025 to 2028 on September 1, 2018. Semi-annual interest payments of $73,975 will also be paid from the escrow account beginning on September 1, 2013 and ending on September 1, 2018.

The District entered into two lease purchase agreements to pay for the costs of acquiring, constructing, and installing energy conservation measures in the buildings and on the property owned by the District. The first agreement was signed in June 2008 for the amount of $4,890,000. The second agreement was signed in January 2009 for $2,674,000.

The District entered into a $1,000,000 lease purchase agreement in May 2013 to pay for the costs of remodeling, renovation, repairing, reconstruction, furnishing, and equipping the Elementary West building for use as an early childhood center and administrative offices.

On April 28, 2016, the District issued refunding bonds in the amount of $17,070,000 (Series 2016-A). The proceeds of these bonds were placed in escrow to refund $11,855,000 of the Series 2008-A bonds maturing in 2018 to 2028 on September 1, 2017. Semi-annual interest payments of $250,695 will also be paid from the escrow account beginning on September 1, 2016 and ending on September 1, 2017. The proceeds of the refunding bonds will also refund $4,850,000 of the Series 2009-A Bonds maturing in 2020 to 2028 on September 1, 2018. Semi-annual interest payments of $96,492 will also be paid from the escrow account beginning on September 1, 2016 and ending on September 1, 2018.

On May 10, 2018, Series 2018-A General Obligation Improvement Bonds and Series 2018-B Taxable General Obligation Refunding Bonds were issued by the District in the amounts of $35,000,000 and $3,280,000, respectively. Proceeds from the sale of the Series 2018-A Bonds are to be used to construct a new building to serve third through fifth grades and to pay for the costs of issuing the bonds. Proceeds from the sale of Series 2018-B Bonds were deposited into an irrevocable escrow account which will provide funds to advance refund the 2020 to 2028 maturities of the District's General Obligation Refunding and Improvement Bonds, Series 2008-B.

See the following pages for more information related to the District's long-term debt and capital lease obligations.

Changes in long-term liabilities for 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	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:									
Series 2013A	2.00-2.375%	March 2013	$ 3,420,000	Sept. 2028	$ 2,995,000	$ -	$ 50,000	$ 2,945,000	$ 64,936
Series 2016A	2.00-4.00%	April 2016	$ 17,070,000	Sept. 2028	14,420,000	-	1,405,000	13,015,000	353,250
Series 2018A	4.00-5.00%	May 2018	$ 35,000,000	Sept. 2048	35,000,000	-	-	35,000,000	1,609,650
Series 2018B	2.65%-3.70%	May 2018	$ 3,280,000	Sept. 2028	2,790,000	-	535,000	2,255,000	80,036
Capital leases:								-	
Energy lease	5.04%	June 2008	$ 4,890,000	Sept. 2028	2,799,634	-	290,964	2,508,670	88,643
Energy lease	5.85%	Jan. 2009	$ 2,674,000	March 2029	1,820,243	-	180,868	1,639,375	48,822
Elem. remodel	3.25%	May 2013	$ 1,000,000	June 2023	300,000	-	100,000	200,000	10,750
Total					$ 60,124,877	$ -	$ 2,561,832	$ 57,563,045	$ 2,256,087

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

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2046	2046-2051	Total
Principal											
G.O. Bonds											
Series 2013A	$ 50,000	$ 50,000	$ 50,000	$ 540,000	$ 550,000	$ 1,705,000	$ -	$ -	$ -	$ -	$ 2,945,000
Series 2016A	1,445,000	1,480,000	1,545,000	1,615,000	1,670,000	5,260,000	-	-	-	-	13,015,000
Series 2018A	-	-	-	-	-	2,195,000	6,520,000	8,315,000	10,540,000	7,430,000	35,000,000
Series 2018B	550,000	565,000	580,000	110,000	110,000	340,000	-	-	-	-	2,255,000
Capital leases											
Energy lease	300,497	310,342	320,511	331,012	341,857	904,451	-	-	-	-	2,508,670
Energy lease	185,876	191,022	196,311	201,747	207,333	657,086	-	-	-	-	1,639,375
Elem. Remodel	100,000	100,000	-	-	-	-	-	-	-	-	200,000
Total Principal	2,631,373	2,696,364	2,691,822	2,797,759	2,879,190	11,061,537	6,520,000	8,315,000	10,540,000	7,430,000	57,563,045
Interest											
G.O. Bonds											
Series 2013A	63,936	62,936	61,936	28,396	44,861	59,966	-	-	-	-	322,032
Series 2016A	324,750	280,700	220,200	165,075	124,150	165,325	-	-	-	-	1,280,200
Series 2018A	1,609,650	1,609,650	1,609,650	1,609,650	1,609,650	7,939,875	6,716,250	4,870,625	2,616,825	453,600	30,645,425
Series 2018B	64,163	47,155	29,118	17,995	14,255	18,886	-	-	-	-	191,572
Capital leases											
Energy lease	79,110	69,264	59,096	48,045	37,750	44,586	-	-	-	-	337,851
Energy lease	43,814	38,667	33,378	27,942	22,356	31,982	-	-	-	-	198,139
Elem. Remodel	7,500	4,250	-	-	-	-	-	-	-	-	11,750
Total Interest	2,192,923	2,112,622	2,013,378	1,897,103	1,853,022	8,260,620	6,716,250	4,870,625	2,616,825	453,600	32,986,969
Total Principal and Interest	$ 4,824,296	$ 4,808,986	$ 4,705,200	$ 4,694,862	$ 4,732,212	$ 19,322,157	$ 13,236,250	$ 13,185,625	$ 13,156,825	$ 7,883,600	$ 90,550,014

7. INTERFUND TRANSFERS

From	To	Regulatory Authority	Amount
General Fund	At-Risk (4 year old)	K.S.A 72-6428	$ 215,292
General Fund	At-Risk (K-12)	K.S.A 72-6428	447,598
General Fund	Bilingual	K.S.A 72-6428	85,454
General Fund	Virtual education	K.S.A 72-6428	60,801
General Fund	Special Education	K.S.A 72-6428	4,001,910
General Fund	Career and postsecondary Education	K.S.A 72-6428	394,916
Total general fund transfers			5,205,971
Supplemental General Fund	At Risk (K-12)	K.S.A 72-6433	313,003
Supplemental General Fund	Bilingual	K.S.A 72-6433	42,037
Total supplemental general fund transfers			355,040
Total interfund transfers			$ 5,561,011

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

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

Compensated Absences. Accumulated vacation and sick leave paid during the current year are shown as an expenditure in the General Fund.

District policy requires the cancellation of accumulated sick leave upon termination of employment. Upon retirement, teachers who have a minimum of ten years of service may be paid 90% of the substitute teacher rate at the time for the first 50 days of accumulated sick leave and 100% of the substitute teacher rate for 51-100 days of accumulated sick leave. If a teacher has eight years of service and has accumulated sick leave of at least 66 days, the teacher may request by June 15 each year to be paid for any days accumulated over 65 at 90% of the substitute teacher rate in effect at the time.

Classified employees retiring after a minimum of ten consecutive years of service may be paid for all accumulated unused sick leave at 30% of the daily rate for the first 50 days of accumulated sick leave and 35% of the daily rate for 51-100 days of accumulated sick leave. If a classified employee has five consecutive years of service and has accumulated at least 66 days of sick leave, the employee may request by June 15 each year to be paid for any days over 65 at 30% of the daily rate of pay in effect at that time.

9. 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 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 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 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 $1,962,810 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 $20,084,853. 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.

10. RISK MANAGEMENT AND UNCERTAINTIES

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

During the year ended June 30, 2020, a pandemic was declared due to the outbreak of the COVID-19 coronavirus. As a result of significant disruption in the U.S. economy due to the outbreak, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

11. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2021 September 23, 2022. The aforementioned date represents the date the financial statement was available to be issued.

During the election in January 2022, the District passed a bond issue in the amount of $64,000,000.

UNIFIED SCHOOL DISTRICT NO. 203
REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION
JUNE 30, 2021

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 203
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Certified budget	Adjustment to comply with legal max	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance - over (under)
Governmental type funds						
General funds:						
General	$ 17,169,455	$ (910,555)	$ 494,024	$ 16,752,924	$ 16,752,924	$ -
Supplemental general	5,680,638	(309,381)	107,116	5,478,373	5,469,631	(8,742)
Special purpose funds:						
At risk (4 year old)	218,834	-	-	218,834	207,542	(11,292)
At risk (K-12)	1,164,378	-	-	1,164,378	815,646	(348,732)
Bilingual	149,722	-	-	149,722	125,454	(24,268)
Virtual education	75,000	-	-	75,000	61,101	(13,899)
Capital outlay	3,379,124	-	-	3,379,124	2,897,389	(481,735)
Food service	1,151,114	-	-	1,151,114	819,992	(331,122)
Professional development	97,425	-	-	97,425	23,793	(73,632)
Parents as teachers	24,000	-	-	24,000	-	(24,000)
Summer school	25,000	-	-	25,000	107	(24,893)
Special education	4,706,932	-	72,680	4,779,612	3,973,169	(806,443)
Cost of living	537,070	-	-	537,070	511,783	(25,287)
Career and postsecondary education	674,946	-	-	674,946	583,950	(90,996)
KPERS retirement contribution	2,442,701	-	-	2,442,701	1,962,810	(479,891)
Bond and interest fund:						
Bond and interest	4,097,872	-	-	4,097,872	4,097,872	-

SCHEDULE 2.1

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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)

		Current Year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
State aid:				
General	$ 12,757,874	$ 13,621,584	$ 14,092,284	$ (470,700)
Special education services	2,712,101	2,637,316	3,077,173	(439,857)
Reimbursements	676,718	481,694	-	481,694
Total cash receipts	16,146,693	16,740,594	$ 17,169,457	$ (428,863)
Expenditures				
Instruction	6,744,753	9,542,593	9,808,942	$ (266,349)
Student support services	379,823	677,253	792,954	(115,701)
Instructional support staff	322,671	372,762	228,091	144,671
General administration	652,818	91,975	-	91,975
School administration	1,264,970	192,561	-	192,561
Central services	-	19,883	-	19,883
Operations and maintenance	1,459,382	637,403	-	637,403
Student transportation services	752,609	12,523	-	12,523
Transfers out	4,576,799	5,205,971	6,339,468	(1,133,497)
Adjustment to comply with legal max	-	-	(910,555)	910,555
Legal general fund budget	16,153,825	16,752,924	16,258,900	494,024
Adjustment for qualifying budget credits				
Reimbursements and credits	-	-	494,024	(494,024)
Total expenditures	16,153,825	16,752,924	$ 16,752,924	$ -
Receipts over (under) expenditures	(7,132)	(12,330)		
Prior year cancelled encumbrances	7,132	12,330		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

SCHEDULE 2.2

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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)

		Current year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Taxes and shared revenue				
Ad valorem property - taxes in process	$ 2,989,127	$ 3,090,339	$ 2,832,240	$ 258,099
Ad valorem property - current taxes	-	-	9,815	(9,815)
Delinquent	30,749	43,351	45,351	(2,000)
Motor vehicle	333,581	321,094	281,992	39,102
Recreational vehicle	1,414	1,282	1,317	(35)
State aid:				
Equalization aid	1,546,120	1,911,093	2,021,171	(110,078)
Reimbursements	95	107,116	-	107,116
Total cash receipts	4,901,086	5,474,275	$ 5,191,886	$ 282,389
Expenditures				
Instruction	3,352,406	491,712	$ 35,000	$ 456,712
Student support services	265,692	114,174	44,519	69,655
Instructional support staff	-	131,239	-	131,239
General administration	89,175	278,926	198,974	79,952
School administration	-	1,336,998	1,378,216	(41,218)
Central services	188,343	928,629	1,001,136	(72,507)
Operations and maintenance	228,413	887,726	1,764,169	(876,443)
Student transportation services	58,968	945,187	900,000	45,187
Transfers out	638,124	355,040	358,624	(3,584)
Adjustment to comply with legal max	-	-	(309,381)	309,381
Legal supplemental general fund budget	4,821,121	5,469,631	5,371,257	98,374
Adjustment for qualifying budget credits				
Reimbursements	-	-	107,116	(107,116)
Total expenditures	4,821,121	5,469,631	$ 5,478,373	$ (8,742)
Receipts over (under) expenditures	79,965	4,644		
Prior year cancelled encumbrances	-	5,920		
Unencumbered cash, beginning of year	456,788	536,753		
Unencumbered cash, end of year	$ 536,753	$ 547,317		

SCHEDULE 2.3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
FEDERAL 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		
Cash receipts	Prior year actual	Actual	Budget	Variance-over (under)
Federal aid:				
Title I	$ 125,321	$ 88,600	$ 124,584	$ (35,984)
Title II	38,377	3,950	33,082	(29,132)
Title IV Education Technology	14,773	21	15,745	(15,724)
Total cash receipts	178,471	92,571	$ 173,411	$ (80,840)
Expenditures				
Instruction	178,471	137,719	$ 173,411	$ (35,692)
Total expenditures	178,471	137,719	$ 173,411	$ (35,692)
Receipts over (under) expenditures	-	(45,148)		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ (45,148)		

SCHEDULE 2.4

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AT RISK (4 YEAR OLDS) 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		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Transfers in:				
General fund	$ -	$ 215,292	$ 126,813	$ 88,479
Total cash receipts	-	215,292	$ 126,813	$ 88,479
Expenditures				
Instruction	160,307	207,542	$ 218,834	$ (11,292)
Total expenditures	160,307	207,542	$ 218,834	$ (11,292)
Receipts over (under) expenditures	(160,307)	7,750		
Unencumbered cash, beginning of year	252,328	92,021		
Unencumbered cash, end of year	$ 92,021	$ 99,771		

SCHEDULE 2.5

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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)

		Current Year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Transfers in:				
General fund	$ 382,150	$ 447,598	$ 492,000	$ (44,402)
Supplemental general fund	447,280	313,003	313,003	-
Reimbursed expenses	3,338	6,215	-	6,215
Total cash receipts	832,768	766,816	$ 805,003	$ (38,187)
Expenditures				
Instruction	720,373	801,178	$ 1,139,378	$ (338,200)
Student transportation services	19,627	14,468	25,000	(10,532)
Total expenditures	740,000	815,646	$ 1,164,378	$ (348,732)
Receipts over (under) expenditures	92,768	(48,830)		
Unencumbered cash, beginning of year	269,945	362,713		
Unencumbered cash, end of year	$ 362,713	$ 313,883		

SCHEDULE 2.6

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
BILINGUAL 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		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Transfers in:				
General fund	$ -	$ 85,454	$ 64,101	$ 21,353
Supplemental general fund	73,662	42,037	45,621	(3,584)
Total cash receipts	73,662	127,491	$ 109,722	$ 17,769
Expenditures				
Instruction	54,119	125,454	$ 149,722	$ (24,268)
Total expenditures	54,119	125,454	$ 149,722	$ (24,268)
Receipts over (under) expenditures	19,543	2,037		
Unencumbered cash, beginning of year	20,457	40,000		
Unencumbered cash, end of year	$ 40,000	$ 42,037		

SCHEDULE 2.7

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
VIRTUAL 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		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Transfers in:				
General fund	$ 26,898	$ 60,801	$ 75,000	$ (14,199)
Reimbursed expenses	3,150	-	-	-
Total cash receipts	30,048	60,801	$ 75,000	$ (14,199)
Expenditures				
Instruction	42,577	61,101	$ 75,000	$ (13,899)
Total expenditures	42,577	61,101	$ 75,000	$ (13,899)
Receipts over (under) expenditures	(12,529)	(300)		
Unencumbered cash, beginning of year	12,829	300		
Unencumbered cash, end of year	$ 300	$ -		

SCHEDULE 2.8

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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)

		Current year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Taxes and shared revenue				
Ad valorem property - taxes in process	$ 1,666,381	$ 1,774,535	$ 1,675,762	$ 98,773
Ad valorem property - current taxes	-	-	5,533	(5,533)
Delinquent	15,795	23,514	25,297	(1,783)
Motor vehicle	158,639	173,465	152,493	20,972
Recreational vehicle	664	692	712	(20)
State aid:				
Capital improvement	320,319	384,639	346,081	38,558
Miscellaneous	75,197	23,339	-	23,339
Interest on idle funds	29,295	34,132	-	34,132
Total cash receipts	2,266,290	2,414,316	$ 2,205,878	$ 208,438
Expenditures				
Instruction	223,253	492,644	$ 280,000	$ 212,644
Instructional support staff	236,627	7,500	450,000	(442,500)
Equipment and supplies	-	321,397	200,000	121,397
Operations and maintenance	651,015	1,081,739	1,394,936	(313,197)
Facilities acquisition and construction	1,177,389	981,178	1,054,188	(73,010)
Other support services	58,120	12,931	-	12,931
Total expenditures	2,346,404	2,897,389	$ 3,379,124	$ (481,735)
Receipts over (under) expenditures	(80,114)	(483,073)		
Prior year cancelled encumbrances	3,528	-		
Unencumbered cash, beginning of year	1,253,603	1,177,017		
Unencumbered cash, end of year	$ 1,177,017	$ 693,944		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
State aid:				
School food assistance	$ 10,993	$ 7,252	$ 10,661	$ (3,409)
Federal aid:				
Federal child nutrition program	318,415	686,310	533,423	152,887
Charges for service	600,325	22,099	574,892	(552,793)
Miscellaneous	-	1,896	-	1,896
Total cash receipts	929,733	717,557	$ 1,118,976	$ (401,419)
Expenditures				
Food service operations	942,649	819,992	$ 1,151,114	$ (331,122)
Total expenditures	942,649	819,992	$ 1,151,114	$ (331,122)
Receipts over (under) expenditures	(12,916)	(102,435)		
Unencumbered cash, beginning of year	328,801	315,885		
Unencumbered cash, end of year	$ 315,885	$ 213,450		

SCHEDULE 2.10

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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)

		Current year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
State aid:				
School food assistance	$ 8,677	$ 3,169	$ 12,000	$ (8,831)
Transfers in:				
General fund	63,423	-	50,000	(50,000)
Reimbursed expenses	2,366	-	-	-
Total cash receipts	74,466	3,169	$ 62,000	$ (58,831)
Expenditures				
Instructional support staff	55,186	23,793	97,425	(73,632)
Total expenditures	55,186	23,793	$ 97,425	$ (73,632)
Receipts over (under) expenditures	19,280	(20,624)		
Unencumbered cash, beginning of year	17,683	36,963		
Unencumbered cash, end of year	$ 36,963	$ 16,339		

SCHEDULE 2.11

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
PARENTS AS TEACHERS 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		
Cash receipts	Prior year actual	Actual	Budget	Variance-over (under)
Transfers in:				
General fund	$ -	$ -	$ 20,000	$ (20,000)
Total cash receipts	-	-	$ 20,000	$ (20,000)
Expenditures				
Instruction	20,942	-	$ 24,000	$ (24,000)
Total expenditures and transfers subject to budget	20,942	-	$ 24,000	$ (24,000)
Receipts over (under) expenditures	(20,942)	-		
Unencumbered cash, beginning of year	25,500	4,558		
Unencumbered cash, end of year	$ 4,558	$ 4,558		

SCHEDULE 2.12

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
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)

		Current year		
Cash receipts	Prior year actual	Actual	Budget	Variance-over (under)
Tuition	$ -	$ 907	$ -	$ 907
Total cash receipts	-	907	$ -	$ 907
Expenditures				
Instruction	-	107	$ 25,000	$ (24,893)
Total expenditures and transfers subject	-	107	$ 25,000	$ (24,893)
Receipts over (under) expenditures	-	800		
Unencumbered cash, beginning of year	25,000	25,000		
Unencumbered cash, end of year	$ 25,000	$ 25,800		

SCHEDULE 2.13

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
State aid	$ -	$ 65,466	$ -	$ 65,466
Transfers in:				
General fund	3,830,279	4,001,910	5,000,000	(998,090)
Reimbursed expenses	171,884	72,680	-	72,680
Total cash receipts	4,002,163	4,140,056	$ 5,000,000	$ (859,944)
Expenditures				
Instruction	3,723,757	3,488,155	$ 4,041,932	$ (553,777)
Student transportation services	609,771	439,825	665,000	(225,176)
Special education	23,029	45,189	-	45,189
Adjustment for qualifying budget credits				
Reimbursements	-	-	72,680	(72,680)
Total expenditures	4,356,557	3,973,169	$ 4,779,612	$ (806,444)
Receipts over (under) expenditures	(354,394)	166,887		
Prior year cancelled encumbrances	101	-		
Unencumbered cash, beginning of year	1,752,079	1,397,786		
Unencumbered cash, end of year	$ 1,397,786	$ 1,564,673		

SCHEDULE 2.14

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
COST OF LIVING 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		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Taxes and shared revenue				
Ad valorem property - current taxes	$ 521,057	$ 522,512	$ 497,763	$ 24,749
IRB/PILOT	5,752	9,755	-	9,755
Total cash receipts	526,809	532,267	$ 497,763	$ 34,504
Expenditures				
State payment	512,792	511,783	$ 537,070	$ (25,287)
Total expenditures	512,792	511,783	$ 537,070	$ (25,287)
Receipts over (under) expenditures	14,017	20,484		
Unencumbered cash, beginning of year	-	14,017		
Unencumbered cash, end of year	$ 14,017	$ 34,501		

SCHEDULE 2.15

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

		Current year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Transfers in:				
General fund	$ 171,355	$ 394,916	$ 511,554	$ (116,638)
Supplemental general fund	117,181	-	-	-
Reimbursed expenses	9,330	22,491	-	22,491
Total cash receipts	297,866	417,407	$ 511,554	$ (94,147)
Expenditures				
Instruction	295,184	583,950	$ 674,946	$ (90,996)
Total expenditures	295,184	583,950	$ 674,946	$ (90,996)
Receipts over (under) expenditures	2,682	(166,543)		
Prior year cancelled encumbrances	-	-		
Unencumbered cash, beginning of year	163,863	166,545		
Unencumbered cash, end of year	$ 166,545	$ 2		

SCHEDULE 2.16

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
GIFT AND GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

Cash receipts	Prior year actual	Current year actual
Revenue from other local source	$ 305,100	$ 124,138
Total cash receipts	305,100	124,138
Expenditures		
Operations and maintenance	125,492	168,059
Gifts and grants	50,000	-
Total expenditures	175,492	168,059
Receipts over (under) expenditures	129,608	(43,921)
Unencumbered cash, beginning of year	364,671	494,279
Unencumbered cash, end of year	$ 494,279	$ 450,358

SCHEDULE 2.17

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, 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)

		Current year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
State aid:				
KPERS	$ 1,976,295	$ 1,962,810	$ 2,442,701	$ (479,891)
Total cash receipts	1,976,295	1,962,810	$ 2,442,701	$ (479,891)
Expenditures				
Instruction	1,284,590	1,275,826	$ 1,591,907	$ (316,081)
Student support services	79,052	78,512	97,234	(18,722)
Instructional support staff	98,815	98,141	121,542	(23,401)
General administration	98,815	98,141	121,542	(23,401)
School administration	197,630	196,281	243,084	(46,803)
Central services	19,763	19,628	24,308	(4,680)
Operations and maintenance	197,630	196,281	243,084	(46,803)
Total expenditures	1,976,295	1,962,810	$ 2,442,701	$ (479,891)
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

SCHEDULE 2.18

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

	Prior year actual	Current year actual
Cash receipts		
Transfers in:		
General fund	$ 102,694	$ -
Total cash receipts	102,694	-
Expenditures		
Operations and maintenance	-	-
Total expenditures	-	-
Receipts over (under) expenditures	102,694	-
Unencumbered cash, beginning of year	326,781	429,475
Unencumbered cash, end of year	$ 429,475	$ 429,475

SCHEDULE 2.19

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
TEXTBOOK AND STUDENT MATERIALS REVOLVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

	Prior year actual	Current year actual
Cash receipts		
Charge for services	$ 230,219	$ 221,565
Total cash receipts	230,219	221,565
Expenditures		
Instruction	94,647	13,824
Student activity	21,892	(113)
Total expenditures	116,539	13,711
Receipts over (under) expenditures	113,680	207,854
Prior year cancelled encumbrances	411	-
Unencumbered cash, beginning of year	62,027	174,229
Unencumbered cash, end of year	$ 176,118	$ 382,083

SCHEDULE 2.20

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CARES ACT WYCO FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

	Prior year actual	Current year actual
Cash receipts		
Grant proceeds	$ -	$ 380,000
Total cash receipts	-	380,000
Expenditures		
Instruction	261,708	118,292
Total expenditures	261,708	118,292
Receipts over (under) expenditures	(261,708)	261,708
Unencumbered cash, beginning of year	-	(261,708)
Unencumbered cash, end of year	$ (261,708)	$ -

SCHEDULE 2.21

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND I
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

	Prior year actual	Current year actual
Cash receipts		
Grant proceeds	$ -	$ 104,143
Total cash receipts	-	104,143
Expenditures		
Instruction	2,208	101,935
Total expenditures	2,208	101,935
Receipts over (under) expenditures	(2,208)	2,208
Unencumbered cash, beginning of year	-	(2,208)
Unencumbered cash, end of year	$ (2,208)	$ -

SCHEDULE 2.22

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND II
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

	Prior year actual	Current year actual
Cash receipts		
Grant proceeds	$ -	$ -
Total cash receipts	-	-
Expenditures		
Instruction	-	235,458
Total expenditures	-	235,458
Receipts over (under) expenditures	-	(235,458)
Unencumbered cash, beginning of year	-	-
Unencumbered cash, end of year	$ -	$ (235,458)

SCHEDULE 2.23

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

		Current year		
Cash receipts	Prior year actual	Actual	Budget	Variance - over (under)
Taxes and shared revenue				
Ad valorem property - taxes in process	$ 2,815,417	$ 2,872,531	$ 2,716,340	$ 156,191
Ad valorem property - current taxes	-	-	9,272	(9,272)
Delinquent	34,082	41,836	42,539	(703)
Motor vehicle	289,400	373,530	326,192	47,338
Recreational vehicle	1,170	1,506	1,523	(17)
State aid	476,166	316,729	355,905	(39,176)
Interest on idle funds	40,274	225	-	225
Total cash receipts	3,656,509	3,606,357	$ 3,451,771	$ 154,586
Expenditures				
Principal	1,915,000	1,990,000	$ 1,990,000	$ -
Interest	2,150,789	2,107,872	2,107,872	-
Total expenditures	4,065,789	4,097,872	$ 4,097,872	$ -
Receipts over (under) expenditures	(409,280)	(491,515)		
Unencumbered cash, beginning of year	6,609,579	6,200,299		
Unencumbered cash, end of year	$ 6,200,299	$ 5,708,784		

SCHEDULE 2.24

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CONSTRUCTION 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
Cash receipts		
Bond proceeds	$ -	$ 34,850
Total cash receipts	-	34,850
Expenditures		
Construction	21,450,522	6,917,942
Total expenditures	21,450,522	6,917,942
Receipts over (under) expenditures	(21,450,522)	(6,883,092)
Unencumbered cash, beginning of year	32,741,311	11,290,789
Unencumbered cash, end of year	$ 11,290,789	$ 4,407,697

SCHEDULE 2.25

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SCHOLARSHIP FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

Cash receipts	Prior year actual	Current year actual
Miscellaneous	$ -	$ 142
Interest	3,657	-
Total cash receipts	3,657	142
Expenditures		
Scholarships	4,500	2,250
Total expenditures	4,500	2,250
Receipts over (under) expenditures	(843)	(2,108)
Unencumbered cash, beginning of year	103,986	101,334
Unencumbered cash, end of year	$ 103,143	$ 99,226

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Piper High School				
Advance placement program	$ 10,388	$ 10,468	$ 5,374	$ 15,482
Animae Club	-	4	-	4
Apple computer grant	17	-	-	17
Auction	7,626	-	4,638	2,988
Baseball club	2,491	9,000	9,340	2,151
Black Leaders of America	40	18	-	58
Bowling	1,474	-	1,863	(389)
Boys basketball	655	-	564	91
Cheerleading	5,535	5,680	8,644	2,571
Coke fund	52	-	-	52
Cross country	31	826	766	91
Cyber Defense Pirates	13	205	205	13
Dance squad	183	13,704	13,009	878
Diversity club	1,207	-	-	1,207
Drama club	861	-	-	861
Esports	20	500	-	520
FCCLA	600	203	500	303
Football	494	3,255	1,423	2,326
GAF	(743)	7,111	5,401	967
Girls basketball	1,962	151	808	1,305
Golf	321	-	-	321
GSA	163	-	-	163
HOSA	566	286	-	852
Junior class	4,609	1,440	2,126	3,923
KEY club	1,242	789	934	1,097
Life Skills	1,027	591	34	1,584
NSDA	2,039	189	1,120	1,108
Pirate Bay	5,960	1,956	2,074	5,842
Piper Graphics	-	2,185	736	1,449
Powerlifting	4,323	-	4,019	304
Publications	4,229	30,139	26,214	8,154
Robotics	9,672	2,036	2,261	9,447
Scholars Bowl	78	-	20	58
Senior class	631	-	-	631
Soccer	-	2,345	2,192	153
Softball	230	2,890	1,029	2,091
Staff scholarship award	851	-	550	301
Student council	2,380	1,180	1,965	1,595
Swimming	1,913	87	55	1,945
Track	1,140	477	-	1,617
Tri-M society	949	-	287	662
Tyler Jobe memorial scholarship	3,602	-	1,000	2,602
Volleyball	399	3,604	139	3,864
Weightroom	9,851	8,843	3,317	15,377
Wrestling	3,817	2,527	3,468	2,876
Subtotal Piper High School	92,902	112,689	106,075	99,512

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

	Ending cash balance	Receipts	Disbursements	Ending cash balance
Piper Middle School				
Cheerleaders	$ 16,676	$ 19,483	$ 33,663	$ 2,496
Music	90	-	-	90
Drama	2,124	-	-	2,124
Piper honor organization	405	1,334	1,684	55
Student council	2,364	-	676	1,688
Yearbook	6,639	5,948	4,614	7,973
Student services	4,565	-	1,743	2,822
Grant funds	730	-	308	422
Student incentives	5,407	-	-	5,407
Subtotal Piper Middle School	39,000	26,765	42,688	23,077
Piper Creek Elementary School				
Art	410	-	-	410
Band	787	-	-	787
Grant funds	140	-	-	140
STEM Fund	63	-	-	63
Yearbook	2,194	5,400	6,777	817
OWL grant	2	-	-	2
General activity account	3,841	1,925	1,410	4,356
Subtotal Piper Creek Elementary School	7,437	7,325	8,187	6,575
Prairie Creek Elementary School				
General activity fund	63,412	86,000	64,332	85,080
Art	2,885	-	-	2,885
STEM fund	525	-	-	525
Yearbook	6,590	5,297	5,540	6,347
Subtotal Prairie Creek Elementary School	73,412	91,297	69,872	94,837
Total student activity funds	$ 212,751	$ 238,076	$ 226,822	$ 224,001
Summary				
Student activity funds	$ 212,751	$ 238,076	$ 226,822	$ 224,001
Faculty funds	4,910	8,200	3,359	9,751
Fees and user charges	10,304	-	10,304	-
Sales tax	3,743	3,752	7,495	-
Flex spending	45,912	29,749	25,420	50,241
Payroll clearing	138,869	40,276	45,816	133,329
Total agency funds	$ 416,489	$ 320,054	$ 319,216	$ 417,322

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Gate receipts:						
High school athletics	$ 31,758	$ 18,944	$ 34,084	$ 16,618	$ -	$ 16,618
Middle school athletics	33,661	9,942	5,404	38,199	-	38,199
Subtotal gate receipts	65,419	28,886	39,488	54,817	-	54,817
School projects						
Book fair	944	-	772	172	-	172
Library	4,577	4,651	1,214	8,014	-	8,014
Community Festival Funds	5,296	337	694	4,939	-	4,939
Fundraisers	21,805	62,715	60,496	24,024	-	24,024
Vocal music	8,215	715	730	8,200	-	8,200
Drafting	158	-	-	158	-	158
Calculator rental	1,211	-	72	1,139	-	1,139
Textbook rental	1,140	-	589	551	-	551
Vending	1,148	250	1,386	12	-	12
Art	22	-	-	22	-	22
Subtotal school projects	44,516	68,668	65,953	47,231	-	47,231
Total district activity funds	$ 109,935	$ 97,554	$ 105,441	$ 102,048	$ -	$ 102,048

UNIFIED SCHOOL DISTRICT NO. 203

SINGLE AUDIT SECTION

FOR THE YEAR ENDED JUNE 30, 2021

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

To the Board of Education of Unified School District No. 203
Kansas City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide,* the financial statement of Unified School District No. 203 (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 September 23, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 203's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of Unified School District No. 203's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 203's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency 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. 203's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 203's Response to Findings

Unified School District No. 203's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 203'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.
Topeka, Kansas
September 23, 2022

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

To the Board of Education Unified School District No. 203
Kansas City, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 203'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. 203's major federal programs for the year ended June 30, 2021. Unified School District No. 203'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. 203'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. 203'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 qualified opinion on compliance the major federal program. However, our audit does not provide a legal determination of Unified School District No. 203's compliance.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in the accompanying schedule of findings and questioned costs, Unified School District No. 203 did not comply with requirements regarding the Child Nutrition Cluster: ALN 10.555 National School Lunch Program and ALN 10.559 Summer Food Service Program for Children as described in finding number 2021-002 for Program Income. Compliance with such requirements is necessary, in our opinion, for Unified School District No. 203 to comply with the requirements applicable to that program.

Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Unified School District No. 203 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster: ALN 10.555 National School Lunch Program and ALN 10.559 Summer Food Service Program for Children for the year ended June 30, 2021.

Other Matters

Unified School District No. 203'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. 203'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. 203 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. 203'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. 203's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-003 to be a significant deficiency.

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

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
September 23, 2022

UNIFIED SCHOOL DISTRICT NO. 203
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 203 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. One significant deficiency disclosed during the audit of the financial statement is reported in the Findings – Financial Statement section of the Schedule of Findings and Questioned Costs. No material weaknesses were identified.

3. One instance of noncompliance material to the financial statement of Unified School District No. 458, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

4. One material weakness and one significant deficiency in internal control over major federal award programs disclosed during the audit are reported in the Major Program section of the Schedule of Findings and Questioned Costs.

5. The auditor's report on compliance for the major federal program for Unified School District No. 203 expresses a qualified opinion on the major federal program.

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

7. The programs tested as a major program were:

Child Nutrition Cluster, Assistance Listing Number:

10.555 National School Lunch Program
10.559 Summer Food Service Program for Children

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

9. Unified School District No. 203 was determined to not be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT

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

Criteria: United School District No. 203 presents its financial statement in accordance with accounting practices permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

Condition: Our firm has been asked to prepare the financial statement, related notes, regulatory required supplementary information, and the schedule of expenditures of federal awards for Unified School District

No. 203; however, our firm cannot be considered part of the internal control structure of the District regarding the preparation of the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards.

Cause: District Personnel do have the skills, knowledge, and experience to process all financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. However, the District relies on auditor assistance to prepare the necessary documents in the prescribed formats.

Effect or Potential Effect: The District's financial statement, related notes, regulatory-required supplementary information, and schedule of expenditures of federal awards may not include the required disclosures or information.

Recommendation: To strengthen internal control over financial statement preparation, we recommend obtaining a current copy of the *Kansas Municipal Audit and Accounting Guide*, and for District personnel to stay current on knowledge concerning the regulatory basis of accounting as prescribed by the *Kansas Municipal Audit and Accounting Guide*.

Views of Responsible Officials: The District will continue to stay informed of the reporting requirements in the current Kansas Municipal Audit and Accounting Guide. The District will also review the financial statement and continue to have input as to what gets reported in the related notes to the financial statement.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2021-002 Required Documentation of Number of Meals Served (Material Weakness)
Federal Agency: USDA, Food and Nutrition Service
Program Name: Child Nutrition Cluster: National School Lunch Program and Summer Food Service Program for Children
Assistance Listing Number: CFDA 10.555, CFDA 10.559
Compliance Requirement: Program Income
Questioned Costs: Not determinable.
Award Period: Year ended June 30, 2021

Criteria: Cash reimbursements are provided by the State of Kansas based upon each meal served under the National School Lunch Program and the Summer Food Service Program for Children, which is reported to the State by the participating District.

Condition: Audit tests were unable to ascertain that amounts submitted to the State for reimbursement were accurate. Two of the 10 months submitted were tested and tests noted that the amounts submitted for breakfast were more than those noted on the count sheets and that lunches submitted were less than noted on count sheets.

Cause: Audit tests revealed that count sheets were either not retained by the District or not properly maintained as to support the amounts submitted for reimbursement for breakfast and lunch meals served. It was further noted that submissions were not properly monitored or reviewed to ensure accuracy of amounts reported.

Effect or Potential Effect: Based on testing, it was determined that the District may have submitted incorrect amounts for breakfast and lunch meals served. Further, it is possible that the District received less reimbursement than it qualified for.
Recommendation: We recommend that the District put in place a process to review submissions prior to finalizing and that all documentation be retained to support submitted amounts.

Views of Responsible Officials: Management agrees with the finding and will implement procedures that will ensure the documentation and submissions are retained and reviewed prior to final submission.

2021-003 Internal Control over Schedule of Expenditures of Federal Awards (Significant Deficiency)

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

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

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 203
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

PRIOR YEAR AUDIT FINDINGS

None.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 203
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Program or Cluster Title	Assistance Listing	Pass-through Grantor and Number	Federal Expenditures
Child Nutrition Cluster			
United States Department of Agriculture			
National School Lunch Program (COVID-19)	10.555	KSDE,2020 COVID-19	$ 60,523
Total National School Lunch Program			60,523
Summer Food Service Program for Children			
Summer Food Service Program for Children	10.559	KSDE,2021 SFS	564,728
Summer Food Service Program for Children	10.559	KSDE,2020 SFS-CFC	256
Summer Food Service Program for Children	10.559	KSDE,2021 SFS-Sponsor Admin	58,214
Summer Food Service Program for Children	10.559	KSDE,2021 SFS-CFC	2,589
Total Summer Food Service Program for Children			625,787
Total United States Department of Agriculture			686,310
Total Child Nutrition Cluster			686,310
Other Programs			
Department of Education			
Title I Grants to Local Educational Agencies	84.010	KSDE,S010A200016	132,908
Career and Technical Education -- Basic Grants to States	84.048	KSDE,V048A200016	22,379
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	KSDE,S367A200015	3,950
Student Support and Academic Enrichment Program	84.424	KSDE,S424A200017	13,868
Education Stabilization Fund Under The Coronavirus Aid, Relief,And Economic Security Act (COVID-19)	84.425	KSDE,S425D200002	338,559
Total Department of Education			511,664
Department of the Treasury			
Coronavirus Relief Fund (COVID-19)	21.019	Wyandotte County Kansas	118,292
Total Department of the Treasury			118,292
Total Other Programs			629,956
Total Expenditures of Federal Awards			**$ 1,316,266**

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 203
NOTES TO THE 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. 203 (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.