UNIFIED SCHOOL DISTRICT NO. 447

Financial Statements
and
Supplemental Information

with Independent Auditor's Report

For the Year Ended June 30, 2021

Unified School District No. 447
Cherryvale, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

Item	Page Number
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash	3
Notes to Financial Statements	4-13
ADDITIONAL INFORMATION	
Schedule 1	
Summary of Expenditures - Actual and Budget	14
Schedule 2	
Schedule of Receipts and Expenditures - Individually Presented by Fund	
General Fund	15-17
Supplemental General Fund	18-19
Special Purpose Funds:	
Pre-School Aged At-Risk Fund	20
At Risk K-12 Fund	21
Virtual Education Fund	22
Capital Outlay Fund	23
Driver Training Fund	24
Food Service Fund	25
Professional Development Fund	26
Special Education Fund	27
Career and Postsecondary Education Fund	28
Gifts and Grants Fund	29
KPERS Special Retirement Contribution Fund	30
Contingency Reserve Fund	31
Textbook and Student Material Revolving Fund	32
Recreation Commission Fund	33
Rural and Low Income School Grant Fund	34
Title I Fund	35
Kansas Reading Roadmap Fund	36
Title II Fund	37
Title IV-A Fund	38
Bond and Interest Fund:	
Bond and Interest Fund	39

Unified School District No. 447
Cherryvale, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

Item		Page Number
	Trust Funds:	
	Elementary/Secondary School Emergency Relief Fund	40-41
	SPARK Program Grant Fund	42
Schedule 3		
	Schedule of Receipts and Disbursements - Agency Funds	43
Schedule 4		
	Schedule of Receipts, Expenditures and Unencumbered Cash - District Activity Funds	44
APPENDIX A		
	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	45-46
	Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	47-48
	Schedule of Findings and Questioned Costs	49
	Summary of Resolution of Prior Audit Findings	50
	Schedule of Expenditures of Federal Awards	51

Rodney M. Burns
CPA

RODNEY M. BURNS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT
702 WEST MAIN * * * P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 447
Cherryvale, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 447, Cherryvale, 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 Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the Notes to Financial Statement, the financial statement is prepared by Unified School District No. 447, Cherryvale, Kansas, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on 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. 447, Cherryvale, Kansas, 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. 447, Cherryvale, Kansas, as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2022 on our consideration of Unified School District No. 447, Cherryvale, Kansas, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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. 447, Cherryvale, Kansas, internal control over financial reporting and compliance.

Report on Supplementary Information

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

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

April 25, 2022

Unified School District No. 447
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General		$		6,712,158	6,711,861	297	129,316	129,613
Supplemental General		36,402		2,084,994	2,029,197	92,199	121,555	213,754
Special Purpose:								
Pre-School Aged At-Risk		10,293		52,925	53,272	9,946		9,946
At Risk K-12	(2)	85,241	460	1,140,716	1,126,472	99,945	28	99,973
Virtual Education		20				20		20
Capital Outlay		884,455		567,583	157,407	1,294,631	1,124	1,295,755
Driver Training		24,567		14,548	14,622	24,493		24,493
Food Service		48,438		651,830	563,980	136,288		136,288
Professional Development	(2)	22,335	228	21,546	5,330	38,779	500	39,279
Special Education		183,967		1,126,859	1,106,890	203,936		203,936
Career and Postsecondary Education	(2)	50,876	16	335,371	295,094	91,169	1,695	92,864
Gifts and Grants	(2)	(30,517)	301	123,536	71,715	21,605	392	21,997
KPERS Special Retirement Contribution				776,013	776,013			
Contingency Reserve		485,992		25,000		510,992		510,992
Textbook and Student Material Revolving		15,735		41,991		57,726		57,726
Recreation Commission		2,710		86,365	74,117	14,958		14,958
Rural and Low Income School Grant				22,921	22,921			
Title I		(55)		323,023	327,089	(4,121)	3,673	(448)
Kansas Reading Roadmap		(29,493)		30,506	1,013			
Title II				48,773	48,773			
Title IV-A				21,623	21,623			
Gate Receipts		14,364		39,015	37,427	15,952		15,952
Bond and Interest:								
Bond and Interest		162,200		58		162,258		162,258
Trusts:								
Elementary/Secondary School Emergency Relief		(51,662)		235,290	338,035	(154,407)	14,991	(139,416)
SPARK Program				93,501	93,501			
Total Primary Government	(1)	1,915,868	1,005	14,576,145	13,876,352	2,616,666	273,274	2,889,940

Composition of Cash:	
Certificates of Deposit	1,000,000
Demand Deposits	1,786,861
Due from State of Kansas	516,663
Petty Cash Authorization	1,200
Less: Agency Funds	(414,783)
Adjustment for Rounding	(1)
Total Primary Government (1)	2,889,940

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

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

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

The basic criterion used for including or excluding other governmental organizations as part of the financial statements of the School District is financial accountability. Financial accountability is derived from the District's powers and includes, but is not limited to, appointment of a voting majority of the governing body, imposition of will, financial benefit/burden on primary government and fiscal dependency. The District has waived the application of generally accepted accounting principles and as such, have not included any component units in these financial statements.

B. Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following Regulatory Basis Fund Types comprise the financial activities of the school district for the year ending June 30, 2021:

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

Special Purpose Funds -- used to account for the proceeds of specific tax levies and other revenue sources that are intended for specific purposes.

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

Agency Funds -- funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

C. Basis of Accounting

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

The Kansas Municipal Accounting and Audit Guide 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 revenues 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 Kansas Municipal Accounting and Audit Guide 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 School 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 School to use the regulatory basis of accounting.

D. Budgets

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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. During the year ended June 30, 2021, the District had no such amendments. However, after the budget was adopted by the District, the State of Kansas later reduced the budgets of the General Fund and Supplemental General Funds to their legal maximum amounts of $6,711,861 and $2,029,197, respectively. These legal maximum amounts are computed based on audited FTE enrollment.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received. 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Gifts and Grants Fund
Contingency Reserve Fund
Textbook and Student Material Revolving Fund
Rural and Low Income School Grant Fund
Title I Fund
Kansas Reading Roadmap Fund
Title II Fund
Title IV-A Fund
Gate Receipts Fund

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

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special purpose funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at rates established by Kansas Statutes. This interest is retained by the county.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 In-Substance Receipt in Transit

The District received $516.663 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. $386,782 of these receipts were for the General Fund and $129,881 for the Supplemental General Fund. The total of these amounts is displayed in the "Composition of Cash" as "Due from State of Kansas".

Note 3 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 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.

K.S.A. 12-1675 allows the District to deposit idle funds in time deposits-open accounts, and certificates of deposit with allowable financial institutions; and to invest idle funds in U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool.

The District held no investments at June 30, 2021 and held no investments throughout the year.

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 City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated any peak periods.

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 carrying amount of the District's deposits was $2,786,861 and the bank balance was $3,381,042. Of the bank balance, $502,003 was covered by federal depository insurance and the remaining $2,879,039 was collateralized with securities held by the pledging financial institutions' agents in the School's name.

Note 4 Long-term Debt

Lease Purchase Obligations

At June 30, 2021, the District is obligated under two lease purchase agreements for the purchase of an HVAC system at the High School, and for buses and other equipment.

Changes in Long-Term Debt

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Capital Lease Obligations:									
High School HVAC System	3.33%	02/15/18	$ 815,000	10/01/27	627,642		74,769	552,873	20,545
Buses and Equipment	3.23%	06/30/19	568,593	05/26/20	516,464		80,326	436,138	15,721
Totals					1,144,106	0	155,095	989,011	36,266

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

Lease Purchase Agreement		Principal	Interest
2021-22	$	225,439	29,953
2022-23		265,532	21,875
2023-24		186,522	13,592
2024-25		85,614	9,699
2025-26		88,488	6,825
2026-27/2027-28		137,416	5,553
Total		989,011	87,497

Note 5 Claims and Judgments

The School participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of April 25, 2022, grant expenditures have not been audited, but the School believes disallowed expenditures or overpayments, if any, will not have a material effect on individual governmental funds or the overall financial position of the School.

During the course of its operations, the School is a party to various claims, legal actions and complaints. It is the opinion of the School's management that these matters are not anticipated to have a material impact on the School.

The School 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 School has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2021 to 2022, and there were no settlements that exceeded insurance coverage in the past three years.

Note 6 Interfund Transfers

From	To	Authority	Amount
General Fund	Pre-School Aged At-Risk Fund	K.S.A. 72-5167	$ 45,500
General Fund	At Risk K-12 Fund	K.S.A. 72-5167	465,000
General Fund	Capital Outlay Fund	K.S.A. 72-5167	150,000
General Fund	Driver Training Fund	K.S.A. 72-5167	5,000
General Fund	Professional Development Fund	K.S.A. 72-5167	20,200
General Fund	Special Education Fund	K.S.A. 72-5167	610,902
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	97,445
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	25,000
Supplemental General Fund	Pre-School Aged At-Risk Fund	K.S.A. 72-5143	7,425
Supplemental General Fund	At Risk K-12 Fund	K.S.A. 72-5143	675,716
Supplemental General Fund	Food Service Fund	K.S.A. 72-5143	52,033
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	444,126
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	230,979
Supplemental General Fund	Textbook & Student Material Revolving Fund	K.S.A. 72-5143	35,000
ESSER Fund	Kansas Reading Roadmap Fund	Prior Year Reimbursement	6,316
SPARK Program Fund	ESSER Fund	Prior Year Reimbursement	24,593

Note 7 Other Long-Term Obligations from Operations

Compensated Absences.

Twelve month classified personnel are granted two weeks (10 working days) vacation annually. An employee must have been employed a minimum of one year and less than five years for two weeks' vacation. Employees having been employed less than one year but at least one-half year, qualify for one week of vacation.

Twelve month classified personnel are granted three weeks (15 working days) vacation annually after completing five (5) years of employment. The Superintendent and Principals receive twenty (20) days' vacation annually, which is non-accumulative. All fulltime employees are granted 10 days sick leave at the beginning of the school year. Nine days are granted to the employee and one day is included in the sick leave pot. Unused sick leave shall accumulate with a limit of 80 days at the end of the fiscal year. Sick leave may also be used in the event of serious illness in the immediate family and is used to cover absences to attend funerals of family or friends.

Any certified employee leaving the District after twelve (12) consecutive years of service or upon retirement (as defined by KPERS) shall receive $40.00 per day for each unused day of accumulated sick leave. Classified employees receive $25.00 per day for each unused day of accumulated sick leave.

The liability for accrued vacation and sick pay is not reflected in the financial statement. Neither the actual or estimated liability could be reasonably estimated at June 30, 2021. The cost of vacation and sick pay are recognized as expenditures when paid.

Defined Benefit Pension Plan

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (2611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 15.59% and 14.23% , respectively, 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 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 $776,013 from the State of Kansas for the year ended June 30, 2021.

Net Pension Liability. At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $8,969,379. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2021. Since the KMAAG regulatory basis of accounting does not recognize longterm debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 8 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

Statement 1 has been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. As shown in Statement 1, the District was in apparent violation of K.S.A. 10-1113, as the District has obligated expenditures in excess of available monies in the Title I Fund and the Elementary and Secondary School Emergency Relief Fund. However, K.S.A 10-1116 provides that under certain situations, a fund can end the year with a negative unencumbered cash balance and is therefore, exempt from the cash basis laws of the State of Kansas. The fund listed above met the criteria under the statutes, and therefore, is not deemed to be in violation of the Kansas cash basis law.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 9 COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation, and the impact on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Future potential impacts may include decreases to in-person enrollment, increases to Virtual Education expenses and additional expenses to insure the safety and health of District personnel and students.

CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through the Strengthening People and Revitalizing Kansas (SPARK) program. SPARK's first round distribution was to local governments in the amount of $400 million. The District received CRF in the amount of $328,791 from both the CARES Act and the SPARK program. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

Note 10 Subsequent Events

The District has evaluated subsequent events through April 25, 2022, the date which the financial statement was available to be issued.

Unified School District No. 447
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:						
General	$ 6,821,974	(110,113)		6,711,861	6,711,861	
Supplemental General	2,062,264	(33,067)		2,029,197	2,029,197	
Special Purpose:						
Pre-School Aged At-Risk	55,836			55,836	53,272	2,564
At Risk K-12	1,151,845			1,151,845	1,126,472	25,373
Virtual Education						
Capital Outlay	1,300,000			1,300,000	157,407	1,142,593
Driver Training	35,150			35,150	14,622	20,528
Food Service	593,049		106,046	699,095	563,980	135,115
Professional Development	31,000			31,000	5,330	25,670
Special Education	1,248,192			1,248,192	1,106,890	141,302
Career and Postsecondary Education	371,751			371,751	295,094	76,657
KPERS Special Retirement Contribution	897,266			897,266	776,013	121,253
Recreation Commission	79,625			79,625	74,117	5,508
Bond and Interest:						
Bond and Interest						
Totals	14,647,952	(143,180)	106,046	14,610,818	12,914,255	1,696,563

Unified School District No. 447
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from State Sources			
General State Aid	$ 6,102,180	6,019,952	82,228
Mineral Production Tax	498	250	248
Special Education Aid	609,480	691,659	(82,179)
Total Cash Receipts	6,712,158	6,711,861	297
Expenditures and Transfers			
Instruction			
Certified Salaries	2,423,261	2,512,731	89,470
Non-Certified Salaries	66,283	73,498	7,215
Group Insurance	424,264	451,728	27,464
Social Security	182,287	197,847	15,560
Other Employee Benefits	31,525	2,862	(28,663)
Other Miscellaneous Purchased Services		879	879
General Supplies and Materials	35,011	35,000	(11)
Audio Visual and Software	12,194	1,000	(11,194)
Miscellaneous Supplies	194		(194)
Property (Equipment & Furnishings)		1,000	1,000
Other	13,376	2,000	(11,376)
Total Instruction	3,188,395	3,278,545	90,150
Support Services - Students			
Certified Salaries	80,188	85,115	4,927
Non-Certified Salaries		50,858	50,858
Group Insurance	25,821	12,386	(13,435)
Social Security	6,095	10,402	4,307
Other Employee Benefits	2,557	166	(2,391)
General Supplies and Materials		2,000	2,000
Property (Equipment & Furnishings)	140		(140)
Total Support Services - Students	114,801	160,927	46,126
Support Services - Instr. Staff			
Certified Salaries	61,434	67,483	6,049
Non-Certified Salaries	20,210	92,958	72,748
Group Insurance	11,819	12,301	482
Social Security	5,634	11,497	5,863
Other Employee Benefits	2,282	198	(2,084)
Purchased Professional and Technical Services	3,325		(3,325)
Other Purchased Services		2,500	2,500
Books and Periodicals	7,675	5,000	(2,675)
Audio Visual and Software	4,797		(4,797)
Miscellaneous Supplies	4,381		(4,381)
Property (Equipment & Furnishings)	3,854		(3,854)
Total Support Services - Instr. Staff	125,411	191,937	66,526
General Administration			
Certified Salaries	117,107	116,392	(715)
Non-Certified Salaries	97,051	90,258	(6,793)
Group Insurance	32,462	28,217	(4,245)
Social Security	15,494	15,151	(343)
KPERS Working After Retirement	2,897		(2,897)
Other Employee Benefits	146	270	124
Purchased Professional and Technical Services	9,757	13,500	3,743
Insurance	8,847	16,000	7,153
Communication Services	3,389	17,000	13,611
Other Miscellaneous Purchased Services	1,073		(1,073)
General Supplies and Materials	7,912	12,500	4,588
Property (Equipment & Furnishings)	429	2,500	2,071
Other	30,391	25,000	(5,391)
Total General Administration	326,955	336,788	9,833

Unified School District No. 447
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
School Administration			
Certified Salaries	$ 322,945	326,790	3,845
Non-Certified Salaries	130,428	127,593	(2,835)
Group Insurance	51,178	55,270	4,092
Social Security	34,287	34,503	216
Other Employee Benefits	3,830	545	(3,285)
Total School Administration	542,668	544,701	2,033
Support Services - Business			
Non-Certified Salaries	97,348	23,892	(73,456)
Social Security	6,940	1,787	(5,153)
Other Employee Benefits		491	491
Purchased Professional and Technical Services	5,882		(5,882)
Total Support Services - Business	110,170	26,170	(84,000)
Operations and Maintenance			
Non-Certified Salaries	327,065	346,803	19,738
Group Insurance	59,453	58,167	(1,286)
Social Security	22,277	24,310	2,033
Other Employee Benefits	10,221	397	(9,824)
Cleaning Services	8,660	4,850	(3,810)
Repairs and Maintenance	25,613	125,000	99,387
Insurance	58,185	74,000	15,815
Property (Equipment & Furnishings)	153		(153)
Total Operations and Maintenance	511,627	633,527	121,900
Vehicle Operation Services			
Equipment and Vehicle Services		96,047	96,047
Insurance	25,906	11,000	(14,906)
Motor Fuel	18,527	27,000	8,473
Property (Equipment & Furnishings)		5,500	5,500
Equipment	192,094		(192,094)
Total Vehicle Operation Services	236,527	139,547	(96,980)
Monitoring Services			
Non-Certified Salaries	89,677	93,138	3,461
Group Insurance	5,627	7,440	1,813
Social Security	6,819	6,895	76
Other Employee Benefits	4,481	1,079	(3,402)
Other	24,319		(24,319)
Total Monitoring Services	130,923	108,552	(22,371)
Vehicle Servicing/Maintenance			
Purchased Professional and Technical Services	45		(45)
Other Purchased Services	1,101	2,000	899
General Supplies and Materials	2,526	5,500	2,974
Total Vehicle Servicing/Maintenance	3,672	7,500	3,828
Support Services - Other			
General Supplies and Materials	1,665	25,000	23,335
Fund Transfers			
Pre-School Aged At-Risk	45,500	50,000	4,500
At Risk K-12	465,000	465,000	
Capital Outlay	150,000	50,000	(100,000)
Driver Training	5,000	4,000	(1,000)
Professional Development	20,200	14,000	(6,200)
Special Education	610,902	691,659	80,757
Career and Postsecondary Education	97,445	94,121	(3,324)
Contingency Reserve	25,000		(25,000)
Total Fund Transfers	1,419,047	1,368,780	(50,267)
Budget Adjustments			
Legal Max Adjustment		(110,113)	(110,113)
Total Expenditures and Transfers	6,711,861	6,711,861	

Unified School District No. 447
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Receipts Over (Under) Expenditures and Transfers	$ 297		
Unencumbered Cash, Beginning			
Prior Year Encumbrances Cancelled			
Unencumbered Cash, Ending	297		

Unified School District No. 447
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Local Sources			
Ad Valorem Taxes	$ 444,177	404,699	39,478
Delinquent Taxes	21,449	14,565	6,884
Commercial Motor Vehicle Tax	3,238	3,118	120
Total Revenue from Local Sources	468,864	422,382	46,482
Revenue from County Sources			
Motor Vehicle Tax	71,344	68,524	2,820
Recreational Vehicle Tax	963	1,000	(37)
Revenue in Lieu of Taxes	416		416
Total Revenue from County Sources	72,723	69,524	3,199
Revenue from State Sources			
Supplemental State Aid	1,543,407	1,500,889	42,518
Total Cash Receipts	2,084,994	1,992,795	92,199
Expenditures and Transfers			
Instruction			
Purchased Professional and Technical Services	87,553	109,000	21,447
Purchased Property Services		20,000	20,000
Other Miscellaneous Purchased Services	8,624	48,621	39,997
General Supplies and Materials	81,351	85,000	3,649
Textbooks	207	20,000	19,793
Audio Visual and Software	32,762	25,500	(7,262)
Property (Equipment & Furnishings)	37,139	20,000	(17,139)
Other	2,920		(2,920)
Total Instruction	250,556	328,121	77,565
General Administration			
Purchased Professional and Technical Services	2,500	10,000	7,500
Communication Services	5,578	5,000	(578)
Other	87	3,000	2,913
Total General Administration	8,165	18,000	9,835
School Administration			
Communication Services	55		(55)
General Supplies and Materials	13,842	12,000	(1,842)
Property (Equipment & Furnishings)	1,532	5,000	3,468
Total School Administration	15,429	17,000	1,571
Operations and Maintenance			
Purchased Professional and Technical Services	3,428		(3,428)
Water/Sewer Services (Non-Energy)	31,223	30,000	(1,223)
Repairs and Maintenance	48,634	79,500	30,866
General Supplies and Materials	47,702	20,000	(27,702)
Heating	28,382	25,000	(3,382)
Electricity	140,341	150,000	9,659
Motor Fuel	4,744	8,000	3,256
Property (Equipment & Furnishings)	1,538	25,000	23,462
Total Operations and Maintenance	305,992	337,500	31,508
Monitoring Services			
Motor Fuel	3,776	5,000	1,224
Fund Transfers			
Pre-School Aged At-Risk	7,425		(7,425)
At Risk K-12	675,716	667,764	(7,952)
Food Service	52,033	20,000	(32,033)
Special Education	444,126	443,000	(1,126)
Career and Postsecondary Education	230,979	225,879	(5,100)
Textbook and Student Material Revolving	35,000		(35,000)
Total Fund Transfers	1,445,279	1,356,643	(88,636)

Unified School District No. 447
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Budget Adjustments			
Legal Max Adjustment	$	(33,067)	(33,067)
Total Expenditures and Transfers	2,029,197	2,029,197	
Receipts Over (Under) Expenditures and Transfers	55,797		
Unencumbered Cash, Beginning	36,402		
Prior Year Encumbrances Cancelled			
Unencumbered Cash, Ending	92,199		

Unified School District No. 447
Pre-School Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Operating Transfers			
Transfer from General Fund	$ 45,500	50,000	(4,500)
Transfer from Supplemental General Fund	7,425		7,425
Total Cash Receipts	52,925	50,000	2,925
Expenditures and Transfers			
Instruction			
Certified Salaries	42,975	42,891	(84)
Group Insurance	7,016	7,564	548
Social Security	3,251	3,281	30
Other Employee Benefits	30	100	70
Purchased Professional and Technical Services		1,000	1,000
General Supplies and Materials		1,000	1,000
Total Expenditures and Transfers	53,272	55,836	2,564
Receipts Over (Under) Expenditures and Transfers	(347)		
Unencumbered Cash, Beginning	10,293		
Unencumbered Cash, Ending	9,946		

Unified School District No. 447
At Risk K-12 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Operating Transfers			
Transfer from General Fund	$ 465,000	465,000	
Transfer from Supplemental General Fund	675,716	667,764	7,952
Total Cash Receipts	1,140,716	1,132,764	7,952
Expenditures and Transfers			
Instruction			
Certified Salaries	845,246	838,346	(6,900)
Non-Certified Salaries	108,571	112,020	3,449
Group Insurance	69,891	71,136	1,245
Social Security	69,043	68,203	(840)
Other Employee Benefits	579	1,020	441
Purchased Professional and Technical Services	14,700	10,000	(4,700)
General Supplies and Materials	14,775	4,620	(10,155)
Textbooks	3,667	40,000	36,333
Total Instruction	1,126,472	1,145,345	18,873
Support Services - Instr. Staff			
Books and Periodicals		6,500	6,500
Total Expenditures and Transfers	1,126,472	1,151,845	25,373
Receipts Over (Under) Expenditures and Transfers	14,244		
Unencumbered Cash, Beginning	85,241		
Prior Year Encumbrances Cancelled	460		
Unencumbered Cash, Ending	99,945		

Unified School District No. 447
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
None	$		
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning	20		
Unencumbered Cash, Ending	20		

Unified School District No. 447
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Local Sources			
Ad Valorem Taxes	$ 185,564	176,611	8,953
Delinquent Taxes	9,309	6,020	3,289
Commercial Motor Vehicle Tax	1,264	1,138	126
Interest on Investments	28,414	50,000	(21,586)
Other Revenue From Local Sources	19,546	5,000	14,546
Total Revenue from Local Sources	244,097	238,769	5,328
Revenue from County Sources			
Motor Vehicle Tax	24,621	25,010	(389)
Recreational Vehicle Tax	521	365	156
Revenue in Lieu of Taxes	174		174
Total Revenue from County Sources	25,316	25,375	(59)
Revenue from State Sources			
General State Aid	148,170	148,256	(86)
Operating Transfers			
Transfer from General Fund	150,000	50,000	100,000
Total Cash Receipts	567,583	462,400	105,183
Expenditures and Transfers			
Instruction			
Property (Equipment & Furnishings)	8,230	305,000	296,770
Support Services - Instr. Staff			
Property (Equipment & Furnishings)		200,000	200,000
General Administration			
Property (Equipment & Furnishings)	29,560		(29,560)
Operations and Maintenance			
Rentals/Leases	95,313		(95,313)
Repair of Buildings	23,098		(23,098)
Other Purchased Property Services	1,206		(1,206)
Total Operations and Maintenance	119,617		(119,617)
Facilities Acquisition/Construction			
Architecture and Engineering Services		45,000	45,000
Building Repair and Remodeling		750,000	750,000
Total Facilities Acquisition/Construction		795,000	795,000
Total Expenditures and Transfers	157,407	1,300,000	1,142,593
Receipts Over (Under) Expenditures and Transfers	410,176		
Unencumbered Cash, Beginning	884,455		
Prior Year Encumbrances Cancelled			
Unencumbered Cash, Ending	1,294,631		

Unified School District No. 447
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Local Sources			
Other Revenue From Local Sources	$ 6,080	5,000	1,080
Revenue from State Sources			
General State Aid	3,468	3,300	168
Operating Transfers			
Transfer from General Fund	5,000	4,000	1,000
Total Cash Receipts	14,548	12,300	2,248
Expenditures and Transfers			
Instruction			
Certified Salaries	13,497	19,500	6,003
Social Security	1,033	1,650	617
Purchased Professional and Technical Services		7,000	7,000
General Supplies and Materials		5,000	5,000
Total Instruction	14,530	33,150	18,620
Operations and Maintenance			
Motor Fuel		1,500	1,500
Other	92	500	408
Total Operations and Maintenance	92	2,000	1,908
Total Expenditures and Transfers	14,622	35,150	20,528
Receipts Over (Under) Expenditures and Transfers	(74)		
Unencumbered Cash, Beginning	24,567		
Unencumbered Cash, Ending	24,493		

Unified School District No. 447
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Local Sources			
Student Sales	$ 2,976	82,322	(79,346)
Adults and Non-Reimbursable Programs	2,093	24,521	(22,428)
Other Revenue From Local Sources	5,879		5,879
Reimbursements		20,000	(20,000)
Total Revenue from Local Sources	10,948	126,843	(115,895)
Revenue from State Sources			
General State Aid	5,097	3,750	1,347
Revenue from Federal Sources			
Federal Financial Assistance	565,595	439,549	126,046
Fresh Fruits and Vegetables Grant	18,157		18,157
Total Revenue from Federal Sources	583,752	439,549	144,203
Operating Transfers			
Transfer from Supplemental General Fund	52,033	20,000	32,033
Total Cash Receipts	651,830	590,142	61,688
Expenditures and Transfers			
Operations and Maintenance			
Other Purchased Services		500	500
Food Service Operations			
Non-Certified Salaries	179,481	192,162	12,681
Group Insurance	37,950	38,957	1,007
Social Security	13,302	14,700	1,398
Other Employee Benefits	7,875	230	(7,645)
Insurance		1,500	1,500
Other Miscellaneous Purchased Services	4,957		(4,957)
Food and Milk	284,527	290,000	5,473
Miscellaneous Supplies	34,851	35,000	149
Property (Equipment & Furnishings)	48	17,000	16,952
Other	989	3,000	2,011
Total Food Service Operations	563,980	592,549	28,569
Budget Credit Adjustment		106,046	106,046
Total Expenditures and Transfers	563,980	699,095	135,115
Receipts Over (Under) Expenditures and Transfers	87,850		
Unencumbered Cash, Beginning	48,438		
Unencumbered Cash, Ending	136,288		

Unified School District No. 447
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from State Sources			
General State Aid	$ 1,346	3,750	(2,404)
Operating Transfers			
Transfer from General Fund	20,200	14,000	6,200
Total Cash Receipts	21,546	17,750	3,796
Expenditures and Transfers			
Support Services - Instr. Staff			
Purchased Professional and Technical Services	225	21,000	20,775
Other Professional and Technical Services		7,000	7,000
Staff Travel	4,630		(4,630)
Miscellaneous Supplies	475	1,500	1,025
Total Support Services - Instr. Staff	5,330	29,500	24,170
Support Services - Business			
Purchased Professional and Technical Services		1,500	1,500
Total Expenditures and Transfers	5,330	31,000	25,670
Receipts Over (Under) Expenditures and Transfers	16,216		
Unencumbered Cash, Beginning	22,335		
Prior Year Encumbrances Cancelled	228		
Unencumbered Cash, Ending	38,779		

Unified School District No. 447
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Federal Sources			
Medicaid Title XIX	$ 61,102	50,000	11,102
Other Federal Financial Assistance	10,729		10,729
Total Revenue from Federal Sources	71,831	50,000	21,831
Operating Transfers			
Transfer from General Fund	610,902	691,659	(80,757)
Transfer from Supplemental General Fund	444,126	443,000	1,126
Total Operating Transfers	1,055,028	1,134,659	(79,631)
Total Cash Receipts	1,126,859	1,184,659	(57,800)
Expenditures and Transfers			
Instruction			
Non-Certified Salaries		9,500	9,500
LEA Payments to COOP's/Interlocals	371,546	450,442	78,896
LEA State Aid Flowthrough Payments to COOP's/Interlocals	701,910	670,000	(31,910)
Other Miscellaneous Purchased Services	33,229	50,000	16,771
General Supplies and Materials	205	25,000	24,795
Property (Equipment & Furnishings)		35,000	35,000
Total Instruction	1,106,890	1,239,942	133,052
Vehicle Operation Services			
Social Security		750	750
Motor Fuel		2,500	2,500
Miscellaneous Supplies		5,000	5,000
Total Vehicle Operation Services		8,250	8,250
Total Expenditures and Transfers	1,106,890	1,248,192	141,302
Receipts Over (Under) Expenditures and Transfers	19,969		
Unencumbered Cash, Beginning	183,967		
Unencumbered Cash, Ending	203,936		

Unified School District No. 447
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Federal Sources			
Other Federal Financial Assistance	$ 6,947	5,500	1,447
Operating Transfers			
Transfer from General Fund	97,445	94,121	3,324
Transfer from Supplemental General Fund	230,979	225,879	5,100
Total Operating Transfers	328,424	320,000	8,424
Total Cash Receipts	335,371	325,500	9,871
Expenditures and Transfers			
Instruction			
Certified Salaries	225,890	227,027	1,137
Group Insurance	24,930	24,730	(200)
Social Security	16,626	16,729	103
Other Employee Benefits	148	265	117
Purchased Professional and Technical Services		6,500	6,500
Other Miscellaneous Purchased Services	1,808	35,000	33,192
General Supplies and Materials	18,889	35,000	16,111
Audio Visual and Software	471		(471)
Property (Equipment & Furnishings)	6,082	25,000	18,918
Total Instruction	294,844	370,251	75,407
Operations and Maintenance			
Purchased Professional and Technical Services		1,500	1,500
Property (Equipment & Furnishings)	250		(250)
Total Operations and Maintenance	250	1,500	1,250
Total Expenditures and Transfers	295,094	371,751	76,657
Receipts Over (Under) Expenditures and Transfers	40,277		
Unencumbered Cash, Beginning	50,876		
Prior Year Encumbrances Cancelled	16		
Unencumbered Cash, Ending	91,169		

Unified School District No. 447
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	$	1,713
Private Grants		66,258
Total Revenue from Local Sources		67,971
Revenue from State Sources		
Mental Health Intervention Grant		55,565
Total Cash Receipts		123,536
Expenditures and Transfers		
Instruction		
Social Security		1,374
Other Employee Benefits		18
Other		17,863
Total Instruction		19,255
Support Services - Students		
Non-Certified Salaries		13,807
Social Security		921
Purchased Professional and Technical Services		13,891
Total Support Services - Students		28,619
General Administration		
Certified Salaries		23,841
Total Expenditures and Transfers		71,715
Receipts Over (Under) Expenditures and Transfers		51,821
Unencumbered Cash, Beginning		(30,517)
Prior Year Encumbrances Cancelled		301
Unencumbered Cash, Ending		21,605

Unified School District No. 447
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from State Sources			
General State Aid	$ 776,013	897,266	(121,253)
Total Cash Receipts	776,013	897,266	(121,253)
Expenditures and Transfers			
Instruction			
Other Employee Benefits	552,078	645,025	92,947
Support Services - Students			
Other Employee Benefits	17,219	15,370	(1,849)
Support Services - Instr. Staff			
Other Employee Benefits	25,659	33,620	7,961
General Administration			
Other Employee Benefits	31,600	35,006	3,406
School Administration			
Other Employee Benefits	62,985	76,286	13,301
Support Services - Business			
Other Employee Benefits	3,315	3,934	619
Operations and Maintenance			
Other Employee Benefits	45,584	56,918	11,334
Student Transportation			
Other Employee Benefits	11,703	5,666	(6,037)
Operation of Non-Instruction Services			
Other Employee Benefits	25,870	25,441	(429)
Total Expenditures and Transfers	776,013	897,266	121,253
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 447
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Operating Transfers		
Transfer from General Fund	$	25,000
Total Cash Receipts		25,000
Expenditures and Transfers		
None		
Receipts Over (Under) Expenditures and Transfers		25,000
Unencumbered Cash, Beginning		485,992
Unencumbered Cash, Ending		510,992

Unified School District No. 447
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	$	30
Textbook Sales and Rentals		6,961
Total Revenue from Local Sources		6,991
Operating Transfers		
Transfer from Supplemental General Fund		35,000
Total Cash Receipts		41,991
Expenditures and Transfers		
Instruction		
Textbooks		
Total Expenditures and Transfers		
Receipts Over (Under) Expenditures and Transfers		41,991
Unencumbered Cash, Beginning		15,735
Unencumbered Cash, Ending		57,726

Unified School District No. 447
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Local Sources			
Ad Valorem Taxes	$ 69,533	66,426	3,107
Delinquent Taxes	3,645	2,258	1,387
Commercial Motor Vehicle Tax	605	551	54
Total Revenue from Local Sources	73,783	69,235	4,548
Revenue from County Sources			
Motor Vehicle Tax	12,414	12,099	315
Recreational Vehicle Tax	168	176	(8)
Total Revenue from County Sources	12,582	12,275	307
Total Cash Receipts	86,365	81,510	4,855
Expenditures and Transfers			
Community Services Operations			
Community Service Operations	74,117	79,625	5,508
Total Expenditures and Transfers	74,117	79,625	5,508
Receipts Over (Under) Expenditures and Transfers	12,248		
Unencumbered Cash, Beginning	2,710		
Unencumbered Cash, Ending	14,958		

Unified School District No. 447
Rural and Low Income School Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	22,921
Total Cash Receipts		22,921
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)		22,921
Total Expenditures and Transfers		22,921
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 447
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	323,023
Total Cash Receipts		323,023
Expenditures and Transfers		
Instruction		
Certified Salaries		111,487
Non-Certified Salaries		118,856
Group Insurance		23,250
Social Security		17,394
Other Employee Benefits		140
Purchased Professional and Technical Services		16,321
General Supplies and Materials		33,112
Total Instruction		320,560
Support Services - Students		
Purchased Professional and Technical Services		6,529
Total Expenditures and Transfers		327,089
Receipts Over (Under) Expenditures and Transfers		(4,066)
Unencumbered Cash, Beginning		(55)
Prior Year Encumbrances Cancelled		
Unencumbered Cash, Ending		(4,121)

Unified School District No. 447
Kansas Reading Roadmap Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	24,190
Operating Transfers		
Transfer from Elementary/Secondary School Emergency Relief		6,316
Total Cash Receipts		30,506
Expenditures and Transfers		
Instruction		
Other Employee Benefits		3
General Supplies and Materials		1,010
Total Expenditures and Transfers		1,013
Receipts Over (Under) Expenditures and Transfers		29,493
Unencumbered Cash, Beginning	(	29,493)
Prior Year Encumbrances Cancelled		
Unencumbered Cash, Ending		

Unified School District No. 447
Title II Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	48,773
Total Cash Receipts		48,773
Expenditures and Transfers		
Instruction		
Certified Salaries		40,586
Group Insurance		5,605
Social Security		2,582
Total Expenditures and Transfers		48,773
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 447
Title IV-A Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	21,623
Total Cash Receipts		21,623
Expenditures and Transfers		
Instruction		
Non-Certified Salaries		20,089
Social Security		1,534
Total Expenditures and Transfers		21,623
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 447
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts			
Revenue from Local Sources			
Delinquent Taxes	$ 58		58
Total Cash Receipts	58		58
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers	58		
Unencumbered Cash, Beginning	162,200		
Unencumbered Cash, Ending	162,258		

Unified School District No. 447
Elementary/Secondary School Emergency Relief Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	210,697
Operating Transfers		
Transfer from SPARK Program		24,593
Total Cash Receipts		235,290
Expenditures and Transfers		
Instruction		
Certified Salaries		83,258
Non-Certified Salaries		5,034
Social Security		3,585
Other Employee Benefits		15
General Supplies and Materials		1,546
Property (Equipment & Furnishings)		111,594
Total Instruction		205,032
Support Services - Students		
Certified Salaries		2,764
Non-Certified Salaries		500
Social Security		47
General Supplies and Materials		11,406
Property (Equipment & Furnishings)		19,372
Total Support Services - Students		34,089
Support Services - Instr. Staff		
Other Purchased Services		2,775
Audio Visual and Software		14,654
Property (Equipment & Furnishings)		16,914
Total Support Services - Instr. Staff		34,343
School Administration		
Non-Certified Salaries		3,354
Social Security		113
Total School Administration		3,467
Operations and Maintenance		
Non-Certified Salaries		3,084
Social Security		45
General Supplies and Materials		7,791
Property (Equipment & Furnishings)		27,151
Total Operations and Maintenance		38,071
Student Transportation		
Non-Certified Salaries		300
Social Security		23
Total Student Transportation		323
Vehicle Operation Services		
Non-Certified Salaries		5,813
Social Security		378
Student Transportation Services by Outside Agency or Company		418
Total Vehicle Operation Services		6,609
Support Services - Other		
Purchased Professional and Technical Services		5,131

Unified School District No. 447
Elementary/Secondary School Emergency Relief Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year Actual
Food Service Operations	
Non-Certified Salaries	$ 1,813
Social Security	26
Food and Milk	2,815
Total Food Service Operations	4,654
Fund Transfers	
Kansas Reading Roadmap	6,316
Total Expenditures and Transfers	338,035
Receipts Over (Under) Expenditures and Transfers	(102,745)
Unencumbered Cash, Beginning	(51,662)
Prior Year Encumbrances Cancelled	
Unencumbered Cash, Ending	(154,407)

Unified School District No. 447
SPARK Program Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021

		Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	93,501
Total Cash Receipts		93,501
Expenditures and Transfers		
Instruction		
Certified Salaries		18,461
Social Security		1,636
Other Employee Benefits		18
Purchased Professional and Technical Services		802
Total Instruction		20,917
Support Services - Students		
General Supplies and Materials		15,596
Support Services - Instr. Staff		
Property (Equipment & Furnishings)		22,891
Operations and Maintenance		
General Supplies and Materials		5,950
Property (Equipment & Furnishings)		3,554
Total Operations and Maintenance		9,504
Fund Transfers		
Elementary/Secondary School Emergency Relief		24,593
Total Expenditures and Transfers		93,501
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 447
Cherryvale, Kansas
Summary of Cash Receipts and Disbursements - Agency Funds
For the Year Ended June 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School				
Annual-High School	$ 2,536	6,556	4,260	4,832
Band Booster	81	-	-	81
Cheerleaders-High School	12	3,553	2,799	766
Cheerleaders-Middle School	437	2,234	2,671	-
Concert Choir	110	-	-	110
Class of 20	2,422	-	-	2,422
Class of 21	7,964	950	8,876	38
Class of 22	7,247	4,124	6,190	5,181
Class of 19	3,089	-	-	3,089
FBLA	85	246	162	169
FCCLA	876	1,077	1,116	837
FFA	6,522	48,343	51,562	3,303
Fine Arts	277	-	-	277
Fully Charged	1,253	2,086	2,636	703
LC Stuco	217	-	-	217
Class of 23	372	1,894	959	1,307
SNV	188	3,153	3,153	188
Spanish Club	301	-	-	301
Special Ed-Middle School	390	1,336	882	844
Student Council- High School	348	2,521	1,430	1,439
Student Council- Middle School	3,847	1,734	1,829	3,752
Kay Club	836	7,520	6,377	1,979
Yearbook-Middle School	1,612	1,370	1,799	1,183
Elementary				-
Christmas Card	391	-	-	391
Pop	374	-	337	37
Miscellaneous	144	2,876	3,016	4
Other Agency Funds:				
Sales Tax	(453)	7,378	6,926	(1)
Payroll Withholdings	30,990	3,034,119	2,683,775	381,334
Total Agency Funds	72,468	3,133,070	2,790,755	414,783

Unified School District No. 447
Cherryvale, Kansas
Summary of Receipts, Expenditures and Unencumbered Cash - District Activity Funds
For the Year Ended June 30, 2021

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
High School:						
Athletics	$ 9,745	24,767	25,270	9,242		9,242
Baseball	21	-	-	21		21
Basketball-HSB	100	36	-	136		136
Basketball-CMS	-	375	371	4		4
Football-CHS	359	400	-	759		759
Volleyball-CHS	1,522	3,198	2,669	2,051		2,051
Volleyball-CMS	11	598	573	36		36
Football-CMS	197	-	-	197		197
Softball- CHS	2	2,030	1,481	551		551
Track-CHS	7	-	-	7		7
Women Basketball-CHS	398	509	-	907		907
Wrestling-HS	342	691	995	38		38
Thayer:				-		-
Thayer Learning Center	1,660	6,411	6,068	2,003		2,003
Total District Activity Funds	14,364	39,015	37,427	15,952	-	15,952

Rodney M. Burns
CPA

RODNEY M. BURNS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT
702 WEST MAIN * * * P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

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

Board of Education
Unified School District No. 447
Cherryvale, Kansas

We have audited, 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*, the statutory basis financial statements of Unified School District No. 447, Cherryvale, Kansas, (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated April 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

April 25, 2022

Rodney M. Burns
CPA

RODNEY M. BURNS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT
702 WEST MAIN * * * P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

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

Board of Education
Unified School District No. 447
Cherryvale, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 447, Cherryvale, Kansas, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management 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 the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

Purpose of this Report

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.

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

April 25, 2022

Unified School District No. 447
Cherryvale, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

I. Summary of Audit Results

Financial Statement:
The auditors' report expresses an adverse opinion on the financial statement of Unified School District No. 447 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an unmodified opinion on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X None reported	
Non compliance or other matters required to be reported under *Government Auditing Standards?*	____ Yes	X No	

Federal Awards:
Internal control over major programs:

Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X None reported	

The auditors' report on compliance for the major federal award programs for Unified School District No. 447 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	____ Yes	X No

Identification of major programs:

U.S. Department of Agriculture
Child Nutrition Cluster:
National School Lunch Program — CFDA #10.555
Summer Food Service Program for Children — CFDA #10.559

U.S. Department of Education
Elementary and Secondary School Emergency Relief Fund — CFDA #84.425D

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

Auditee qualified as a low risk auditee?	____ Yes	X No

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

Unified School District No. 447
Cherryvale, Kansas
Summary of Resolution of Prior Audit Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Prior Year Finding 2020-001:

Condition: The District does not have a system of control over cash and cash receipts to provide adequate segregation of duties. The condition illustrates the lack of effectiveness in current controls over cash receipts and bank reconciliations. This results in an ineffective control environment that provides opportunities for human error or misappropriation of assets.

Recommendations: We recommend the board clerk and superintendent initial and date bank reconciliations after review on a monthly basis and that someone other than the individual recording receipts into the software maintain custody of checks received and take funds to the bank.

Current Status: The District made changes to reassign duties among the various staff in the Board Office and has corrected this issue.

Unified School District No. 447
Cherryvale, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures	
U.S. Department of Agriculture					
Passed through State Department of Education					
Child Nutrition Cluster:					
National School Lunch Program	D0447	10.555	$ 80,192	80,192	(1)
Summer Food Service Program for Children	D0447	10.559	485,404	485,404	(1)
	Total Child Nutrition Cluster		565,596	565,596	
Fresh Fruits and Vegetables Grant	D0447	10.582	18,157	18,157	
Total U.S. Department of Agriculture			583,753	583,753	
U.S. Department of the Treasury					
Passed through Montgomery County, Kansas					
Coronavirus Relief Fund		21.019	93,501	93,501	
U.S. Department of Education					
Passed through Kansas Department of Education					
Title I Grant to Local Educational Agencies	D0447	84.010	323,021	327,087	
Career and Technical Education - Basic Grants to States	D0447	84.048	1,885	1,885	
Rural Education	D0447	84.358	22,921	22,921	
Improving Teacher Quality State Grants	D0447	84.367	48,773	48,773	
Student Support and Academic Enrichment Program	D0447	84.424	21,623	21,623	
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - Special Ed	D0447	84.425D	10,729	10,729	(1)
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	D0447	84.425D	210,696	313,441	(1)
Total U.S. Department of Education			639,648	746,459	
U.S. Department of Health and Human Services					
Passed through Kansas Department of Children and Families					
Temporary Assistance for Needy Families (Kansas Reading Roadmap)		93.558	24,190	1,462	
Total U.S. Department of Health and Human Services			24,190	1,462	
Total Federal Awards			1,341,092	1,425,175	

(1) These programs were considered to be major programs

Note to the Schedule of Expenditures of Federal Awards:

Note A: General

The Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Unified School District No. 447, Cherryvale, Kansas (the District). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

Note B: Indirect Cost Rate

The District did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance

Note C: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. This is the same basis of accounting used in the District's regulatory basis financial statements. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.