CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
CLEARWATER, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2021

BFR

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
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INDEPENDENT AUDITORS' REPORT

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2021**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

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

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

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Board of Education
Clearwater Unified School District No. 264

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
As described in Note 1 of the financial statement, the financial statement is prepared by **Clearwater Unified School District No. 264, Clearwater, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Clearwater Unified School District No. 264, Clearwater, Kansas,** as of **June 30, 2021**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of **June 30, 2021**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

Board of Education
Clearwater Unified School District No. 264

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2020 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2020 basic financial statement upon which we rendered an unmodified opinion dated August 28, 2020. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://da.ks.gov/ar/muniserv/. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021, on our consideration of **Clearwater Unified School District No. 264, Clearwater, Kansas'**, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC
BFR CPA, LLC
September 29, 2021

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 8,528,271	$ 8,528,271	$ 0	$ 8,379	$ 8,379
Special Purpose Funds							
Supplemental General	130,632	0	2,561,907	2,575,681	116,858	8,182	125,040
Preschool-Aged At-Risk	5,000	0	28,410	23,410	10,000		10,000
At Risk (K-12)	30,000	0	548,242	488,242	90,000	0	90,000
Bilingual Education	1,838	0	3,198	4,113	923	0	923
Virtual Education	5,000	0	5,000	4,000	6,000	0	6,000
Capital Outlay	849,177	0	1,123,021	651,251	1,320,947	4,355	1,325,302
Driver Training	22,584	0	6,330	6,151	22,763	0	22,763
Food Service	186,083	0	647,998	567,296	266,785	0	266,785
Professional Development	24,624	0	29,073	14,608	39,089	0	39,089
Special Education	351,609	0	2,160,501	2,062,109	450,001	508	450,509
Career and Postsecondary Education	20,000	0	422,133	352,133	90,000	19	90,019
KPERS Contribution	0	0	869,877	869,877	0	0	0
Recreation Commission	20,416	0	230,027	231,300	19,143	0	19,143
Recreation Commission Employee Benefit Fund	14,638	0	39,630	35,750	18,518	0	18,518
Federal Funds	0	0	422,718	459,241	(36,523)	11,247	(25,276)
Gifts and Grants	18,114	0	12,843	13,610	17,347	908	18,255
Contingency Reserve	779,924	0	0	47,039	732,885	47,039	779,924
Student Revolving	1,889	0	415	0	2,304	0	2,304
Textbook Revolving	171,215	0	134,526	135,363	170,378	0	170,378
Perkins Consortium Vo-Ed Grant	0	0	28,062	28,062	0	0	0
HS FACS Grants	13	0	1,426	1,300	139	0	139
Safe & Secure Schools Grant	0	0	0	0	0	0	0
Health Council Grant	200	0	0	0	200	0	200
District Activity Funds	98,771	0	225,634	239,449	84,956	0	84,956
Bond and Interest	2,144,814	0	2,301,821	2,005,967	2,440,668	0	2,440,668
Capital Projects	275,649	0	69,745	207,374	138,020	61,770	199,790
	$ 5,152,190	$ 0	$ 20,400,808	$ 19,551,597	$ 6,001,401	$ 142,407	$ 6,143,808

Composition of Cash:		
	Checking Accounts	$ 4,242,976
	Savings Accounts	1,040,141
	Investments	891,766
		6,174,883
	Agency Funds	(31,075)
		$ 6,143,808

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

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2021

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Clearwater Unified School District No. 264 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Clearwater, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

Capital Projects 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.

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

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

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

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

Budget and Tax Cycle

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

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

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Student Revolving Fund
Textbook Revolving Fund	Perkins Consortium Vo-Ed Grant Fund
HS FACS Grants Fund	Safe & Secure Schools Grant
Health Council Grant	District Activity Funds

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

Note 2 - In Substance Receipt in Transit:

The District received $571,710 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.

Note 3 - Defined Benefit Pension Plan:

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

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

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

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual paymentsof $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 SenateBill 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 $869,877 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 $9,881,705. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 4 - Capital Projects:

At year-end, capital project authorization compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
School Buildings	$ 16,498,536	$ 16,360,516

Note 5 - Compensated Absences:

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

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

Note 6 - Termination Benefits:

The District supports an early retirement plan for certified staff under the negotiated agreement. Certified staff are eligible under the plan if they were employed by the District for terms prior to 2007-2008, 60 years of age and have been employed by the District for ten years of continuous service and an additional five years under KPERS employment. Certified staff electing early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 75% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

Certified staff employed by the District for periods prior to 2007-2008 are also eligible under the plan for a reduced retirement benefit at age 55 or an age that fulfills the KPERS retirement options, have a minimum of ten years continuous service with the District, and have an additional five years under KPERS employment. Certified staff electing the reduced early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 50% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

It is the policy of the District to record early retirement benefits as expenditures when paid. The District paid $111,199 in postemployment benefits for 14 former employees during the year ended June 30, 2021.

Note 7 - Deposits & Investments:

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

Investment Type	Fair Value	Rating U.S.
Kansas Municipal Investment Pool	$ 891,766	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 banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

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 Type	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 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 $5,283,117 and the bank balance was $5,836,616. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $389,685 was covered by federal depository insurance and the remaining $5,446,931 was collateralized with securities held by the pledging financial institutions' agents 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 $891,766 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.

Note 8 - Reimbursed Expenditures:

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

Note 9 - Contingencies:

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

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

Note 10 - Interfund Transactions:

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

	Transfer to:								
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Virtual Education	Professional Development	Special Education	Career and Postsecondary Education	Textbooks Revolving	Total
General Fund	$ 28,410	$ 372,117	$ 2,168	$ 5,000	$ 25,000	$ 1,571,659	$ 403,567	$ 85,831	$ 2,493,752
Supplemental General Fund	0	175,000	1,030	0	0	521,385	0	0	697,415
	$ 28,410	$ 547,117	$ 3,198	$ 5,000	$ 25,000	$ 2,093,044	$ 403,567	$ 85,831	$ 3,191,167

Note 11 - Postemployment Benefits:

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

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

Note 12 - Subsequent Events:

The District has evaluated subsequent events through September 29, 2021, the date which the financial statement was available to be issued.

Note 13- Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due either monthly or annually.

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2011 Series	2.000 - 3.300	4/1/11	$ 9,645,000	9/1/20
2017 Series	3.000 - 5.000	6/1/17	$ 15,000,000	9/1/36
2020 Series	1.25	7/1/20	$ 4,595,000	9/1/23
Capital Leases				
Bleachers	2.62	7/9/14	$ 475,000	6/15/21
Networking Equipment	0.00	3/25/20	$ 329,082	7/15/22
Multifunction Printers	0.00	12/19/19	$ 75,660	2/15/25

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2011 Series	$ 5,765,000	$ 0	$ 5,765,000	$ 0	$ 89,959
2017 Series	15,000,000	0	0	15,000,000	578,400
2020 Series	0	4,595,000	60,000	4,535,000	37,917
	20,765,000	4,595,000	5,825,000	19,535,000	706,276
Capital Leases					
Bleachers	74,838	0	74,838	0	188
Networking Equipment	329,082	0	109,694	219,388	0
Multifunction Printers	70,616	0	15,132	55,484	0
	474,536	0	199,664	274,872	188
	$ 21,239,536	$ 4,595,000	$ 6,024,664	$ 19,809,872	$ 706,464

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

	Principal			Interest			
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Total Principal and Interest
2022	$ 1,440,000	$ 124,826	$ 1,564,826	$ 626,087	$ 0	$ 626,087	$ 2,190,913
2023	1,515,000	124,826	1,639,826	607,619	0	607,619	2,247,445
2024	1,580,000	15,132	1,595,132	588,275	0	588,275	2,183,407
2025	910,000	10,088	920,088	555,650	0	555,650	1,475,738
2026	960,000	0	960,000	508,900	0	508,900	1,468,900
2027 - 2031	5,510,000	0	5,510,000	1,813,600	0	1,813,600	7,323,600
2032 - 2036	6,665,000	0	6,665,000	674,372	0	674,372	7,339,372
2037	955,000	0	955,000	14,922	0	14,922	969,922
	$ 19,535,000	$ 274,872	$ 19,809,872	$ 5,389,425	$ 0	$ 5,389,425	$ 25,199,297

REGULATORY REQUIRED SUPPLEMENTARY INFORMATION

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 8,632,617	$ (107,750)	$ 3,404	$ 8,528,271	$ 8,528,271	$ 0
Special Purpose Funds						
Supplemental General	2,605,385	(29,704)	0	2,575,681	2,575,681	0
Preschool-Aged At-Risk	24,000	0	0	24,000	23,410	(590)
At Risk (K-12)	564,124	0	0	564,124	488,242	(75,882)
Bilingual Education	4,113	0	0	4,113	4,113	0
Virtual Education	15,000	0	0	15,000	4,000	(11,000)
Capital Outlay	1,698,432	0	0	1,698,432	651,251	(1,047,181)
Driver Training	27,234	0	0	27,234	6,151	(21,083)
Food Service	754,778	0	0	754,778	567,296	(187,482)
Professional Development	29,124	0	0	29,124	14,608	(14,516)
Special Education	2,215,013	0	0	2,215,013	2,062,109	(152,904)
Career and Postsecondary Education	356,000	0	0	356,000	352,133	(3,867)
KPERS Contribution	1,106,493	0	0	1,106,493	869,877	(236,616)
Recreation Commission	231,300	0	0	231,300	231,300	0
Recreation Commission Employee Benefit Fund	35,750	0	0	35,750	35,750	0
Federal Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	459,241	XXXXXXXXX
Gifts and Grants	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	13,610	XXXXXXXXX
Contingency Reserve	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	47,039	XXXXXXXXX
Student Revolving	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Textbook Revolving	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	135,363	XXXXXXXXX
Perkins Consortium Vo-Ed Grant	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	28,062	XXXXXXXXX
HS FACS Grants	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	1,300	XXXXXXXXX
Safe & Secure Schools Grant	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Health Council Grant	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
District Activity Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	239,449	XXXXXXXXX
Bond and Interest	2,005,967	0	0	2,005,967	2,005,967	0
Capital Projects	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	207,374	XXXXXXXXX
	$ 20,305,330	$ (137,454)	$ 3,404	$ 20,171,280	$ 19,551,597	$ (1,751,121)

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 241,250	$ 3,405	$ 0	$ 3,405
State Sources	8,020,723	8,524,866	8,632,617	(107,751)
	8,261,973	8,528,271	$ 8,632,617	$ (104,346)
Expenditures				
Instruction	2,652,106	2,650,166	$ 3,040,868	$ (390,702)
Student Support Services	308,799	298,623	320,980	(22,357)
Instructional Support Staff	377,364	432,452	506,270	(73,818)
General Administration	300,782	189,571	186,597	2,974
School Administration	678,990	697,993	678,255	19,738
Central Services	243,381	220,136	271,655	(51,519)
Operations & Maintenance	1,062,105	1,178,878	1,158,573	20,305
Student Transportation Services	382,833	334,031	369,400	(35,369)
Other Supplemental Services	34,081	27,487	0	27,487
Site Improvement Services	9,769	5,182	0	5,182
Transfers	2,211,763	2,493,752	2,100,019	393,733
Adjustment to Comply With Legal Max	0	0	(107,750)	107,750
Adjustment for Qualifying Budget Credits	0	0	3,404	(3,404)
	8,261,973	8,528,271	$ 8,528,271	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 960,138	$ 929,774	$ 833,159	$ 96,615
County Sources	129,456	131,541	123,696	7,845
State Sources	1,392,429	1,500,592	1,517,897	(17,305)
	2,482,023	2,561,907	$ 2,474,752	$ 87,155
Expenditures				
Instruction	1,856,785	1,869,777	$ 1,889,500	$ (19,723)
General Administration	1,240	2,518	8,000	(5,482)
Operations & Maintenance	1,894	5,971	10,000	(4,029)
Transfers	611,117	697,415	697,885	(470)
Adjustment to Comply With Legal Max	0	0	(29,704)	29,704
	2,471,036	2,575,681	$ 2,575,681	$ 0
Receipts Over (Under) Expenditures	10,987	(13,774)		
Unencumbered Cash, Beginning	119,645	130,632		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 130,632	$ 116,858		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Preschool-Aged At-Risk Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 18,142	$ 28,410	$ 19,000	$ 9,410
	18,142	28,410	$ 19,000	$ 9,410
Expenditures				
Instruction	23,142	23,410	$ 24,000	$ (590)
	23,142	23,410	$ 24,000	$ (590)
Receipts Over (Under) Expenditures	(5,000)	5,000		
Unencumbered Cash, Beginning	10,000	5,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 5,000	$ 10,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

At Risk Fund (K-12)	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,936	$ 1,125	$ 1,900	$ (775)
Transfers	500,021	547,117	567,224	(20,107)
	501,957	548,242	$ 569,124	$ (20,882)
Expenditures				
Instruction	457,575	443,092	$ 511,999	$ (68,907)
Student Support Services	44,282	45,150	52,125	(6,975)
Instructional Support Staff	100	0	0	0
	501,957	488,242	$ 564,124	$ (75,882)
Receipts Over (Under) Expenditures	0	60,000		
Unencumbered Cash, Beginning	30,000	30,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 30,000	$ 90,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 3,105	$ 3,198	$ 2,275	$ 923
	3,105	3,198	$ 2,275	$ 923
Expenditures				
Instruction	5,016	4,113	$ 4,113	$ 0
	5,016	4,113	$ 4,113	$ 0
Receipts Over (Under) Expenditures	(1,911)	(915)		
Unencumbered Cash, Beginning	3,749	1,838		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,838	$ 923		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 5,000	$ 5,000	$ 10,000	$ (5,000)
	5,000	5,000	$ 10,000	$ (5,000)
Expenditures				
Instruction	0	4,000	$ 10,000	$ (6,000)
Instructional Support Staff	0	0	5,000	(5,000)
	0	4,000	$ 15,000	$ (11,000)
Receipts Over (Under) Expenditures	5,000	1,000		
Unencumbered Cash, Beginning	0	5,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 5,000	$ 6,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 705,901	$ 775,458	$ 505,525	$ 269,933
County Sources	64,363	68,691	64,780	3,911
State Sources	268,466	278,872	278,949	(77)
	1,038,730	1,123,021	$ 849,254	$ 273,767
Expenditures				
Instruction	204,598	221,567	$ 475,500	$ (253,933)
Student Support Services	541	0	0	0
General Administration	2,662	1,839	4,000	(2,161)
School Administration	0	0	21,000	(21,000)
Operations & Maintenance	176,008	83,581	324,125	(240,544)
Student Transportation Services	28,028	108,056	265,400	(157,344)
Other Supplemental Services	0	14,092	10,000	4,092
New Building Acquisition & Construction	160,162	75,026	158,407	(83,381)
Site Improvement	12,407	1,550	200,000	(198,450)
Building Improvement	158,066	145,540	240,000	(94,460)
	742,472	651,251	$ 1,698,432	$ (1,047,181)
Receipts Over (Under) Expenditures	296,258	471,770		
Unencumbered Cash, Beginning	552,919	849,177		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 849,177	$ 1,320,947		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 4,424	$ 3,474	$ 4,650	$ (1,176)
State Sources	2,860	2,856	2,175	681
	7,284	6,330	$ 6,825	$ (495)
Expenditures				
Instruction	5,198	5,516	$ 22,934	$ (17,418)
Vehicle Operations, Maintenance Services	320	635	4,300	(3,665)
	5,518	6,151	$ 27,234	$ (21,083)
Receipts Over (Under) Expenditures	1,766	179		
Unencumbered Cash, Beginning	20,818	22,584		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 22,584	$ 22,763		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Food Service Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 231,900	$ 53,212	$ 155,718	$ (102,506)
State Sources	5,602	6,328	4,133	2,195
Federal Sources	308,787	588,458	408,844	179,614
	546,289	647,998	$ 568,695	$ 79,303
Expenditures				
Operations & Maintenance	1,858	3,766	$ 45,000	$ (41,234)
Food Service Operations	521,340	563,530	709,778	(146,248)
	523,198	567,296	$ 754,778	$ (187,482)
Receipts Over (Under) Expenditures	23,091	80,702		
Unencumbered Cash, Beginning	162,992	186,083		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 186,083	$ 266,785		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 3,260	$ 970	$ 0	$ 970
State Sources	9,489	3,103	4,500	(1,397)
Transfers	15,000	25,000	0	25,000
	27,749	29,073	$ 4,500	$ 24,573
Expenditures				
Instructional Support Staff	55,775	14,608	$ 29,124	$ (14,516)
	55,775	14,608	$ 29,124	$ (14,516)
Receipts Over (Under) Expenditures	(28,026)	14,465		
Unencumbered Cash, Beginning	52,650	24,624		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 24,624	$ 39,089		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 273	$ 48,482	$ 0	$ 48,482
Federal Sources	0	18,975	0	18,975
Transfers	1,953,923	2,093,044	1,863,405	229,639
	1,954,196	2,160,501	$ 1,863,405	$ 297,096
Expenditures				
Instruction	1,763,561	1,928,519	$ 1,992,313	$ (63,794)
Instructional Support Staff	1,045	800	1,100	(300)
Central Services	0	0	1,100	(1,100)
Student Transportation Services	178,719	132,790	220,500	(87,710)
	1,943,325	2,062,109	$ 2,215,013	$ (152,904)
Receipts Over (Under) Expenditures	10,871	98,392		
Unencumbered Cash, Beginning	340,738	351,609		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 351,609	$ 450,001		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 13,938	$ 18,566	$ 0	$ 18,566
Transfers	327,689	403,567	336,000	67,567
	341,627	422,133	$ 336,000	$ 86,133
Expenditures				
Instruction	339,627	352,133	$ 356,000	$ (3,867)
	339,627	352,133	$ 356,000	$ (3,867)
Receipts Over (Under) Expenditures	2,000	70,000		
Unencumbered Cash, Beginning	18,000	20,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 20,000	$ 90,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

KPERS Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 934,144	$ 869,877	$ 1,106,493	$ (236,616)
	934,144	869,877	$ 1,106,493	$ (236,616)
Expenditures				
Instruction	542,645	484,521	$ 616,318	$ (131,797)
Student Support	42,410	42,624	54,250	(11,626)
Instructional Support	42,410	42,624	54,250	(11,626)
General Administration	45,773	46,104	58,550	(12,446)
School Administration	96,217	82,377	104,750	(22,373)
Central Services	42,410	42,624	54,250	(11,626)
Operations & Maintenance	42,410	42,624	54,250	(11,626)
Student Transportation Serv	47,361	42,624	54,250	(11,626)
Food Service	32,508	43,755	55,625	(11,870)
	934,144	869,877	$ 1,106,493	$ (236,616)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 197,104	$ 204,268	$ 190,471	$ 13,797
County Sources	24,136	25,759	24,402	1,357
	221,240	230,027	$ 214,873	$ 15,154
Expenditures				
Community Service Operations	225,600	231,300	$ 231,300	$ 0
	225,600	231,300	$ 231,300	$ 0
Receipts Over (Under) Expenditures	(4,360)	(1,273)		
Unencumbered Cash, Beginning	24,776	20,416		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 20,416	$ 19,143		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Recreation Commission Employee Benefits Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 38,059	$ 34,118	$ 31,151	$ 2,967
County Sources	1,405	5,512	1,531	3,981
	39,464	39,630	$ 32,682	$ 6,948
Expenditures				
Community Service Operations	35,000	35,750	$ 35,750	$ 0
	35,000	35,750	$ 35,750	$ 0
Receipts Over (Under) Expenditures	4,464	3,880		
Unencumbered Cash, Beginning	10,174	14,638		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 14,638	$ 18,518		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Bond and Interest Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,258,969	$ 1,304,155	$ 1,200,302	$ 103,853
County Sources	145,695	159,711	150,882	8,829
State Sources	841,559	837,955	837,955	0
	2,246,223	2,301,821	$ 2,189,139	$ 112,682
Expenditures				
Debt Service	2,001,693	2,005,967	$ 2,005,967	$ 0
	2,001,693	2,005,967	$ 2,005,967	$ 0
Receipts Over (Under) Expenditures	244,530	295,854		
Unencumbered Cash, Beginning	1,900,284	2,144,814		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 2,144,814	$ 2,440,668		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 177,383	$ 422,718
	177,383	422,718
Expenditures		
Instruction	123,891	307,323
Student Support Services	237	12,972
Instructional Support Staff	45,140	47,640
School Administration	0	508
Central Services	395	468
Operations & Maintenance	6,815	86,722
Student Transportation Services	905	1,934
Food Service Operations	0	1,674
	177,383	459,241
Receipts Over (Under) Expenditures	0	(36,523)
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ (36,523)

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 16,447	$ 12,843
	16,447	12,843
Expenditures		
Instruction	13,857	13,610
	13,857	13,610
Receipts Over (Under) Expenditures	2,590	(767)
Unencumbered Cash, Beginning	15,524	18,114
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 18,114	$ 17,347

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 0
	0	0
Expenditures		
Other Support Services	0	47,039
	0	47,039
Receipts Over (Under) Expenditures	0	(47,039)
Unencumbered Cash, Beginning	779,924	779,924
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 779,924	$ 732,885

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Student Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 390	$ 415
	390	415
Expenditures		
Instruction	0	0
	0	0
Receipts Over (Under) Expenditures	390	415
Unencumbered Cash, Beginning	1,499	1,889
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 1,889	$ 2,304

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Textbook Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 48,586	$ 48,695
Transfers	0	85,831
	48,586	134,526
Expenditures		
Instruction	97,344	135,363
	97,344	135,363
Receipts Over (Under) Expenditures	(48,758)	(837)
Unencumbered Cash, Beginning	219,973	171,215
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 171,215	$ 170,378

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Perkins Consortium Vo-Ed Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 10,698	$ 28,062
	10,698	28,062
Expenditures		
Instruction	10,198	28,062
	10,198	28,062
Receipts Over (Under) Expenditures	500	0
Unencumbered Cash, Beginning	(500)	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

HS FACS Grants

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 197	$ 1,426
	197	1,426
Expenditures		
Instruction	236	1,300
	236	1,300
Receipts Over (Under) Expenditures	(39)	126
Unencumbered Cash, Beginning	52	13
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 13	$ 139

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Safe & Secure Schools Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
State Sources	$ 21,424	$ 0
	21,424	0
Expenditures		
Instruction	21,424	0
	21,424	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

Health Council Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 200	$ 0
	200	0
Expenditures		
Instruction	0	0
	0	0
Receipts Over (Under) Expenditures	200	0
Unencumbered Cash, Beginning	0	200
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 200	$ 200

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
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		
Local Sources	$ 5,560	$ 0
Bond Proceeds	0	69,691
Interest	16,333	54
	21,893	69,745
Expenditures		
Operations & Maintenance	0	0
Facility Acquisition and Construction Services	139,292	207,374
	139,292	207,374
Receipts Over (Under) Expenditures	(117,399)	(137,629)
Unencumbered Cash, Beginning	393,048	275,649
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 275,649	$ 138,020

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Class of 2022	$ 2,463	$ 9,027	$ 11,058	$ 432
Class of 2023	11	0	0	11
Class of 2020	250	0	235	15
Class of 2021	5,572	8,250	11,513	2,309
C-Club	3,646	868	1,092	3,422
SADD	1,063	3,780	2,207	2,636
Senior D.C. Trip	32	9,179	9,115	96
Stuco-B.O.S.	1,107	60	313	854
Kay	937	631	847	721
Stuco-Regular	2,793	629	2,411	1,011
Cheerleaders	7,164	13,086	13,261	6,989
Nat'l Honor Society	813	2,037	2,199	651
Color Guard	104	0	0	104
Dance Team	3,251	1,139	3,326	1,064
Art Club	78	0	0	78
Girls Who Code	2	0	0	2
FCCLA	261	6,859	3,577	3,543
	29,547	55,545	61,154	23,938
Intermediate - Middle School				
Cheerleaders	961	4,005	2,725	2,241
KAYS Group	0	9,715	9,235	480
Student Council-BOS	2,363	3,772	3,257	2,878
Tribal Council	1,954	4,551	4,967	1,538
	5,278	22,043	20,184	7,137
Total Agency Funds	$ 34,825	$ 77,588	$ 81,338	$ 31,075

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
High School							
Activities	$ 34,738	$ 0	$ 165,872	$ 174,523	$ 26,087	$ 0	$ 26,087
Yearbook	22,276	0	10,011	14,392	17,895	0	17,895
Industrial Arts	343	0	1,676	2,010	9	0	9
Drama	2,158	0	5,152	4,901	2,409	0	2,409
Instrumental Music	1,211	0	2,768	200	3,779	0	3,779
Vocal Music	1,019	0	4,148	2,769	2,398	0	2,398
Photo/Art	1,905	0	330	55	2,180	0	2,180
CHS Crime Stoppers	32	0	0	0	32	0	32
AVCTL Monies	14	0	0	14	0	0	0
School Improvement	4,064	0	0	1,378	2,686	0	2,686
	67,760	0	189,957	200,242	57,475	0	57,475

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Intermediate - Middle School							
Activities	11,525	0	31,493	32,132	10,886	0	10,886
Annual 7-8	1,292	0	629	1,296	625	0	625
Annual K-6	2,814	0	437	1,371	1,880	0	1,880
Lip Sync	1,025	0	942	1,967	0	0	0
Field Trips/Apparel	118	0	0	0	118	0	118
Outdoor Classroom	427	0	0	0	427	0	427
Book Fair	67	0	0	0	67	0	67
	17,268	0	33,501	36,766	14,003	0	14,003

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Grade School West							
Annual	2,999	0	1,568	1,752	2,815	0	2,815
Field Day	3,290	0	340	445	3,185	0	3,185
Field Trip/Apparel	2,587	0	0	0	2,587	0	2,587
Stuco (BOS)	4,700	0	268	244	4,724	0	4,724
Book Fair	158	0	0	0	158	0	158
PTO	6	0	0	0	6	0	6
Teacher Project	3	0	0	0	3	0	3
	13,743	0	2,176	2,441	13,478	0	13,478
Total District Activity Funds	$ 98,771	$ 0	$ 225,634	$ 239,449	$ 84,956	$ 0	$ 84,956

FEDERAL AWARD INFORMATION

BFR

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

INDEPENDENT AUDITORS' REPORT

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2021**, and the related notes to the financial statement, which collectively comprise **Clearwater Unified School District No. 264, Clearwater, Kansas'** basic financial statement, and have issued our report thereon dated September 29, 2021. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control.

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

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Board of Education
Clearwater Unified School District No. 264

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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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

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

BFR CPA, LLC

BFR CPA, LLC
September 29, 2021

BFR

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

INDEPENDENT AUDITORS' REPORT

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Clearwater Unified School District No. 264, Clearwater, Kansas,** with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal programs for the year ended **June 30, 2021**. **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance.

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Board of Education
Clearwater Unified School District No. 264

Opinion on Each Major Federal Program
In our opinion, **Clearwater Unified School District No. 264, Clearwater, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2021**.

Report on Internal Control Over Compliance
Management of **Clearwater Unified School District No. 264, Clearwater, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over compliance.

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

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

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

BFR CPA, LLC
BFR CPA, LLC
September 29, 2021

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Grant Title	Federal Assistance Listing Number	Program Amount	Unencumbered Cash 7/1/2020	Receipts	Expenditures	Unencumbered Cash 6/30/2021
(Passes Through Kansas Department of Education)						
Department of Agriculture						
National School Lunch Program	10.555	$ 58,820				
Summer Food Service Program for Children	10.559	529,638				
		588,458	$ 0	$ 588,458	$ 567,296	$ 21,162
Department of Education						
Title I Grants to Local Education Agencies	84.010	133,197	0	133,197	133,197	0
Career and Technical Education-Basic Grants to States	84.048	20,569	0	20,569	20,569	0
Supporting Effective Instruction State Grants	84.367	36,766	0	36,766	36,766	0
Student Support and Academic Enrichment Program	84.424	15,297	0	15,297	15,297	0
Education Stabilization Fund	84.425D	1,487,986	0	107,244	143,767	(36,523)
		1,693,815	0	313,073	349,596	(36,523)
(Passes Through South Central Kansas Education Service Center)						
Department of Education						
Career and Technical Education-Basic Grants to States	84.048	7,493	0	7,493	7,493	0
(Passes Through Sedgwick County)						
Department of the Treasury						
Coronavirus Relief Fund	21.019	149,190	0	149,189	149,189	0
Total Federal Awards		$ 2,438,956	$ 0	$ 1,058,213	$ 1,073,574	$ (15,361)

The accompanying notes are an integral part of the schedule.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Clearwater Unified School District No. 264, Clearwater, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

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

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas**.

2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas,** were disclosed during the audit.

4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award programs for **Clearwater Unified School District No. 264, Clearwater, Kansas,** expresses an unmodified opinion on all major federal programs.

6. There were no audit findings relative to the major federal award programs for **Clearwater Unified School District No. 264, Clearwater, Kansas**.

7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

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

9. **Clearwater Unified School District No. 264, Clearwater, Kansas,** was determined not to be a low-risk auditee.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

There are no prior audit findings