

HAYSVILLE UNIFIED SCHOOL DISTRICT NO. 261

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2019

WITH

INDEPENDENT AUDITOR'S REPORT



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TABLE OF CONTENTS

	<u>Page</u>
A copy of the Haysville Unified School District No. 261 regulatory basis financial statements, year ended June 30, 2019 accompanies this report. The independent auditor's report and the financial statements are hereby incorporated by reference.	
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 <i>Government Auditing Standards</i>	1 - 2
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance	3 - 5
Schedule of Findings and Questioned Costs	6 - 8
Schedule of Expenditures of Federal Awards	9
Notes to Schedule of Expenditures of Federal Awards	10

This is a copy of the District's annual financial statements reproduced from an electronic file. An original copy of this document is available at the District's office.

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 AUDITOR'S REPORT

The Board of Education
Haysville Unified School District No. 261

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Haysville Public Schools, USD 261 (District), as of and for the year ended June 30, 2019 and the related notes to the financial statement, and have issued our report thereon dated September 23, 2019. The District prepared the regulatory basis financial statement 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.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 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.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 23, 2019
Wichita, Kansas

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Haysville Unified School District No. 261

Report on Compliance for Each Major Federal Program

We have audited Haysville Unified School District No. 261 (District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and 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 the 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 its major federal programs for the year ended June 30, 2019.

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.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Award Required by Uniform Guidance

We have audited the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Haysville Public Schools, USD 261 (District) as of and for the year ended June 30, 2019, and the related notes to the financial statement. We have issued our report thereon dated September 23, 2019 which contained an unmodified opinion on the financial statement. The District prepared this regulatory basis financial statement 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. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the regulatory basis 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 regulatory basis financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory basis financial statement or to the regulatory basis financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the regulatory basis financial statement as a whole.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

September 23, 2019
Wichita, Kansas

HAYSVILLE UNIFIED SCHOOL DISTRICT NO. 261

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Adverse

Type of auditor's report issued on the basis of accounting used by the District: Unmodified – Regulatory Basis

Internal control over financial reporting:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major federal programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified? Yes X None reported

Type of auditor's report issued on compliance for major federal programs: See below

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major federal programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>	<u>MAJOR PROGRAM OPINION</u>
84.010 84.027, 84.173	Title I Special Education Cluster	Unmodified Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

HAYSVILLE UNIFIED SCHOOL DISTRICT NO. 261
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

HAYSVILLE UNIFIED SCHOOL DISTRICT NO. 261
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

Summary Schedule of Prior Audit Findings

No matters were reported.

HAYSVILLE UNIFIED SCHOOL DISTRICT NO. 261

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

Federal Grantor / Pass-Through Grantor	Federal CFDA Number	Pass-Through Grantor's Number	Fund Balance 7/1/2018	Revenue	Expenditures	Fund Balance 6/30/2019
U.S. Department of Agriculture:						
Passed-through Kansas Department of Education						
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	10.553	3529-3490	\$ -	\$ 325,800	\$ 325,800	\$ -
National School Lunch Program	10.555	3530-3500	-	1,489,589	1,489,589	-
SFSP -- Food	10.559	3230-3020	-	79,988	79,988	-
SFSP -- Food, Sponsor Ad, CFDA	10.559	3230-3020	-	8,296	8,296	-
SFSP -- CFC	10.559	3230-3020	-	396	396	-
School Food summer Program CDDA	10.559	3230-3020	-	50	50	-
<i>Total Child Nutrition Cluster</i>			-	1,904,119	1,904,119	-
State Administrative Expenses for Child Nutrition	10.560	3230-3020	-	100	100	-
<i>Total U.S. Department of Agriculture</i>			-	1,904,219	1,904,219	-
U.S. Department of Education:						
Passed-through Kansas Department of Education						
Title I - Low Income	84.010	3532-3520	-	553,183	553,183	-
Title I - Low Income (Carryover)	84.010	3532-3520	-	98,256	98,256	-
<i>Special Education Cluster:</i>						
Title VI-B - Special Ed.- Handicapped	84.027	3234-3050	-	1,047,611	1,047,611	-
Title VI-B Disc. Special Project	84.027	3234-3050	-	36,813	36,813	-
Title VI - Part B IDEA	84.027	3534-3540	-	1,500	1,500	-
Early Childhood - Special Education	84.173	3535-3500	-	39,188	39,188	-
<i>Total Special Education Cluster</i>			-	1,125,112	1,125,112	-
Career and Technical Education - Secondary Program	84.048	3539-3590	-	42,728	42,728	-
Education for Homeless Children and Youth	84.196	3592-3070	-	23,100	23,100	-
Title IV 21st Century Comm. LC	84.287	3519-3890	-	88,000	88,000	-
Title III - English Language Acquisition	84.365	3522-2820	-	12,798	12,798	-
Title IIA, Supporting Effective Instruction	84.367	3526-3860	-	145,908	145,908	-
Title IIA, Improve TQ KTOY Leader Conference	84.367	3527-3870	-	130	130	-
Title IVA Student Support and Academic Enrichment Program	84.424A	3113-3113	-	37,700	37,700	-
<i>Total U.S. Department of Education</i>			-	2,126,915	2,126,915	-
Total Federal Assistance			\$ -	\$ 4,031,134	\$ 4,031,134	\$ -

See accompanying notes to this schedule

HAYSVILLE UNIFIED SCHOOL DISTRICT NO. 261

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2019

1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Haysville Unified School District No. 261 and is presented on the cash basis of accounting modified for encumbrances. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. INDIRECT COST RATE

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