

***WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259***

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2017

WITH

INDEPENDENT AUDITOR'S REPORTS



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SINGLE AUDIT REPORT

Year Ended June 30, 2017

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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
Wichita Public Schools
Unified School District No. 259

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wichita Public Schools Unified School District No. 259 (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

December 5, 2017
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 THE UNIFORM GUIDANCE

Independent Auditor's Report

The Board of Education
Wichita Public Schools
Unified School District No. 259

Report on Compliance for Each Major Federal Program

We have audited Wichita Public Schools Unified School District No. 259's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. 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 each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion of Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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 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 the 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 may exist that have not been identified. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wichita Public Schools Unified School District No. 259 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 5, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 basic financial statements as a whole.

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

January 16, 2018
Wichita, Kansas

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

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: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? 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 programs, and type of auditor's report issued on compliance for major programs:

<i>CFDA NUMBER</i>	<i>NAME OF FEDERAL PROGRAM</i>	<i>OPINION</i>
10.553/10.555/ 10.559	Child Nutrition Cluster	Unmodified
84.367	Supporting Effective Instruction State Grants	Unmodified
93.667	Social Services Block Grant	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 1,912,586

Auditee qualified as low-risk auditee? X Yes No

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2017

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings required to be reported by the Uniform Guidance

Finding 2016-001 (Significant Deficiency):

CFDA #84.010: Title I Grants to Local Educational Agencies, U.S. Department of Education, Kansas Department of Education, all open grant awards

Documentation was not maintained to show a paraprofessional was qualified to work in a program supported with Title I, Part A funds.

Corrective Action: Human Resources (HR) requires every applicant to provide written proof of 48 or more college credit hours or a copy of their passing state-approved assessment scores. When the acceptable documentation is received, it is immediately uploaded to the applicant's application as well as their personnel file in our electronic database. Hard copies of the files are also kept.

If an applicant does not currently have 48 or more college credit hours or they have not taken a state-approved assessment, Human Resources offers the ParaPD Now Assessment in house. When an applicant takes the assessment, their scores are immediately uploaded to their application and saved in a private folder on our District network drive, which enables HR to review scores at any time.

Status: Corrected

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO 259**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Year Ended June 30, 2017

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through/Direct Number	Direct Expenditures	Pass through Expenditures
U.S. Department of Agriculture:				
Pass through from:				
Kansas State Department of Education				
<u>Child Nutrition Cluster</u>				
School Breakfast Program	10.553	3529-3490 3490 9904	\$	3,917,284
National School Lunch Program				
Cash for Commodities	10.555	3530-3500 3500 9912		1,160,012
Section 4	10.555	3530-3500 3500 9902		14,041,766
Section 11	10.555	3530-3500 3500 9903		166,647
Summer Food Service Program for Children - Food	10.559	3230-3020 3020 9923		449,050
Summer Food Service Program for Children - Sponsor Admin	10.559	3230-3020 3020 9925		46,653
Summer Food Service Program for Children - CFC	10.559	3230-3020 3020 9988		2,425
Child Nutrition Cluster Subtotal				19,783,837
Child and Adult Care Food Program				
Cash for Commodities	10.558	3531-3510 3510 9916		4,012
Meal Costs	10.558	3531-3510 3510 9921		233,051
Team Nutrition	10.574	3230-3020 R679, 3230-3020 R680 & 3230-3020 R684		4,232
Fresh Fruit & Vegetables Program FY17	10.582	3230-3020 3020 9926		645,601
Total U. S. Department of Agriculture				20,670,733
U.S. Department of Defense:				
Direct Program:				
USMC - ROTC & JROTC Training Reimbursements	12.XXX	TRNGMX08	570	
Total U.S. Department of Defense			570	
U.S. Department of Education:				
Direct Programs:				
<u>Indian Education Grants to Local Educational Agencies</u>				
Title VII Native American 2016	84.060	S060A122111	29,653	
Title VII Native American 2017	84.060	S060A162111	232,164	
<u>Magnet Schools Assistance</u>				
Title V Part C Magnet School Assistance Program - Project DISCOVER	84.165	U165A130009	2,465,117	
			2,726,934	
Pass through from:				
Kansas State Board of Education				
<u>Title 1 Grants to Local Educational Agencies</u>				
Title I Part A 2015	84.010	3532-3520-3520		667,074
Title I Part A 2016	84.010	3532-3520 3520		1,549,747
Title I Part A 2017	84.010	3532-3520 3520		18,617,449
Title I School Improvement Section 1000(a)				
Title I School Improvement 1003(a) FY16	84.010	3233-3040 3040 9954		1,050,466
Title I School Improvement 1000(a) FY17	84.010	3233-3040 3040 9954		1,137,132
Title 1, Grants to Local Educational Agencies Subtotal				23,021,868
<u>Migrant Education State Grant Program</u>				
Title I C Migrant FY16	84.011	3537-3570 3570		9,445
Title I C Migrant FY17	84.011	3537-3570 3570		193,843
<u>Title I Program for Neglected and Delinquent Children and Youth</u>				
Title I Delinquent 2015	84.010	3233-3040 3040 9930		8,513
Title I Delinquent 2016	84.010	3233-3040 3040 9930		77,661
Title I Delinquent 2017	84.010	3233-3040 3040 9930		339,164
<u>Special Education Cluster (IDEA)</u>				
EHC Flow Through 3-21 PRIVATE SCHOOL PS - FY 16	84.027	3234-3050 3050 1000		20,573
EHC Flow Through 3-21 PRIVATE SCHOOL PS - FY 17	84.027	3535-3550 3550 1000		103,561
Title VI Part B Pass Thru 2016	84.027	3234-3050 3050 1000		7,254,803
Title VI Part B Pass Thru 2017	84.027	3234-3050 3050 1000		3,573,963
Title VI Part B Continuous Improvement 2016	84.027	3234-3050 3050 5000		225,923
Title VI Part B Continuous Improvement 2017	84.027	3234-3050 3050 5000		300,441
Early Childhood Flow Through 2015	84.173	3535-3550 3550 1000		33,945
Early Childhood Flow-Through 2016	84.173	3535-3550 3550 1000		148,127
Early Childhood Flow-Through 2017	84.173	3535-3550 3550 1000		138,664
Special Education Cluster Subtotal				11,800,000
<u>Career and Technical Education Basic Grants to States</u>				
Carl Perkins Secondary Improvement 2016	84.048	3539-3590 3590 9920		43,804
Carl Perkins Secondary Improvement 2017	84.048	3539-3590 3590 9920		533,120
Carl Perkins Reserve FY16 MBA Conclave Grant	84.048	3539-3590 3590 9920		231
Carl Perkins Reserve FY17 National Consortium for Health Science Education	84.048	3539-3590-3590 9920		3,000
Carl Perkins Reserve FY17 MBA Conclave Grant	84.048	3539-3590-3590 9920		1,425
Carl Perkins Reserve FY17 Computer Studies Teachers Association Conference	84.048	3539-3590-3590 9920		516
<u>Education for Homeless Children and Youth</u>				
2016 Homeless Child Youth	84.196	3592-3070 U904		30,072
2017 Homeless Child Youth	84.196	3592-3070 U905		101,563
<u>21st Century Community Learning Centers</u>				
Title IV Part B 21st Century Community Learning Centers - After School Program	84.287	3519-3890 3890		552,996
<u>English Language Acquisition State Grants</u>				
Title III English Language Acquisition Grants 2016	84.365	3522-3820 3820		26,616
Title III English Language Acquisition Grants 2017	84.365	3522-3820 3820		647,680
<u>Mathematics and Science Partnerships</u>				
Title IIB Math and Science Partnership FY15-18	84.366	3233-3040 3040 9993		130,593

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO 259**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)**

For Year Ended June 30, 2017

<u>Supporting Effective Instruction State Grants</u>			
Title II Part A Teacher Quality 2016	84.367	3526-3860 3860	575,274
Title II Part A Teacher Quality 2017	84.367	3526-3860 3860	1,474,001
<u>Advanced Placement Program</u>			
Test Fee Program	84.330	3592-3070 S681	10,094
Wichita State University			
<u>Gaining Early Awareness and Readiness for Undergraduate Programs</u>			
Gaining Early Awareness & Readiness for Undergraduate Programs (Gear Up North)	84.334	U336S090086-11	13,405
Gaining Early Awareness & Readiness for Undergraduate Programs (Gear Up South)	84.334	U336S090086-11	87,070
Total U.S. Department of Education			2,726,934 39,681,954
U.S. Department of Health and Human Services:			
Pass through from:			
Kansas Reading Road Map			
<u>Temporary Assistance for Needy Families</u>			
Title IV, Part A Kansas Reading Road Map Grant - Mueller Elementary	1 93.558	Not Available	82,596
Title IV, Part A Kansas Reading Road Map Grant - Spaght Elementary	1 93.558	Not Available	4,870
Title IV, Part A Kansas Reading Road Map Grant - Gordon Parks Elementary	1 93.558	Not Available	9,155
Title IV, Part A Kansas Reading Road Map Grant - Ortiz Elementary	1 93.558	Not Available	3,611
Kansas State Department of Education			
<u>Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School Based Surveillance</u>			
2011 Youth Risk Behavior Survey	93.079	3592-3070 R733	539
<u>Temporary Assistance for Needy Families</u>			
Parents As Teachers	1 93.558	3323-0530 0530	54,868
Kansas Department for Children and Families Services			
<u>Social Services Block Grant</u>			
CDC / Latchkey Programs	93.667	Contract FY2016-2017	527,115
Total U.S. Department of Health and Human Services			- 682,754
Subtotals			\$ 2,727,504 \$ 61,035,441
TOTAL			\$ 63,762,945
1 TANF Cluster			\$ 155,100

**WICHITA PUBLIC SCHOOLS
UNIFIED SCHOOL DISTRICT NO. 259**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2017

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wichita Public Schools Unified School District No. 259 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of the 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.

Note 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.