

February 2, 2021

Board of Education
Unified School District No. 202
800 South 55th Street
Kansas City, Kansas 66106

I am pleased to confirm our understanding of the services I am to provide the Unified School District no. 202 (the District) for the year ended June 30, 2021.

Audit Scope and Objectives

I will audit the financial statements of the District for the year ended June 30, 2021. I understand that the financial statements will be presented in accordance with the Kansas regulatory basis of accounting.

I have also been engaged to report on Kansas regulatory required supplementary information that accompanies the District's financial statements. I will subject the following regulatory required supplementary information to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds.

I have also been engaged to report on supplementary information other than regulatory required supplementary information that accompanies the District's financial statements. I will subject the following supplementary information to the auditing procedures applied in my 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole: the schedule of expenditures of federal awards.

The objectives of my audit are to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with the Kansas regulatory basis of accounting; to report on the fairness of the supplementary information referred to above when considered in relation to the financial statements taken as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement of a reasonable user made based on the financial statements.

The objectives also include reporting on:

1. Internal control over financial reporting and compliance with laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
2. Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of 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, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Auditor's Responsibilities for the Audit of the Financial Statements

My audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance; and the *Kansas Municipal Audit and Accounting Guide* and will include tests of the accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of the audit of the District's financial statements. My report will be addressed to the governing body of the District. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinion on the financial statements is other than unmodified, I will fully discuss the reasons with you in advance. If for any reason, I am unable to complete the audit or are unable to form or have not formed an opinion, I may decline to express an opinion or may withdraw from this engagement.

I will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. I will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws and governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because of the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditors is limited to the period covered by my audit and does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. I will request written representations from your attorneys as part of this engagement, and they may bill you for responding to this inquiry.

Audit Procedures-Internal Control

My audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that I consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matter that have a direct and material effect on the financial statements. My tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, I will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that I consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, my tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in my report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, I will express no such opinion. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards* and the Uniform Guidance.

Audit Procedures-Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and I will not express such an opinion in my report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that I also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations and the terms and conditions of federal awards applicable to major programs. My procedures will consist of test of transactions and other applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the District's major programs. The purpose of those procedures will be to express an opinion of the District's compliance with requirements applicable to each of its major programs in my report on compliance issued pursuant to the Uniform Guidance.

Other Services

I will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the District in conformity with the Kansas regulatory basis of accounting and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements previously defined. I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with the Kansas regulatory basis of accounting.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that I may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to me in the management representation letter that the effects of any uncorrected misstatements aggregated by me during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing me about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that I report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan, if required.

You are also responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include my report on the schedule of expenditures of federal awards in any document that contains and indicates that I have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes or report thereon. Your responsibilities include acknowledging to me in the written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) that you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance, (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are responsible for the preparation of the regulatory required supplementary information, which I have been engaged to report on, in conformity with the Kansas regulatory basis of accounting. You agree to include my report on the regulatory required supplementary information in any document that contains and indicates that I have reported on the regulatory required supplementary information. You also agree to include the audited financial statements with any presentation of the regulatory required supplementary information that includes my report thereon. Your responsibilities include acknowledging to me in the written representation letter that (a) you are responsible for presentation of the regulatory required supplementary information in accordance with the Kansas regulatory basis of accounting; (b) that you believe the regulatory required supplementary information, including its form and content, is fairly presented in accordance with the Kansas regulatory basis of accounting, (c) that the methods of measurement or presentation have not changed from those used in the prior period; and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishment and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address

significant findings and recommendations resulting from those audits, attestation engagements, performance audits or other studies. You are also responsible for providing management's views on my current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services I provide. You will be required to acknowledge in the written representation letter my assistance with preparation of the financial statements, schedule of expenditures of federal awards and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

In connection with this engagement, I may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, I cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, I specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that I shall have no liability for an loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Reporting

I will issue a written report upon completion of the audit of the District's financial statements. My report will be addressed to the governing body of the District. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinion on the financial statements is other than unmodified, I will fully discuss the reasons with you in advance. If for any reason, I am unable to complete the audit or are unable to form or have not formed an opinion, I may decline to express an opinion or may withdraw from this engagement.

Engagement Administration, Fees and Other

When delivered to the District the audit reports and financial statements produced in connection with this engagement letter are public records and may be used (a) to fulfill the requirements of continuing disclosure under SEC Rule 15c2-12, (b) as inserts or incorporated by reference in offering documents issued by the District and (c) for any lawful purpose of the District all without subsequent consent from us. Any official statements in connection with debt issuances which include the above mentioned audit reports and financial statements shall contain the following: "Our independent auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The independent auditor also has not performed any procedures relating to this official statement."

I may from time to time and depending on the circumstances, use third party service providers in serving your account. I may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

At the conclusion of this engagement, I will complete the appropriate sections of the Data Collection Form that summarizes my audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior auditing

findings, auditor's reports and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. I will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

I will provide copies of my report to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of my reports are to be made available for public inspection.

My audit engagement ends on delivery of my audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

The workpapers for this engagement are my property and constitute confidential information. However, pursuant to authority given by law or regulation, I may be requested to make certain audit documentation available. If requested, access to such workpapers will be provided under the supervision of firm personnel. Furthermore, upon request, I may provide photocopies of selected workpapers to governmental agencies who may intend or decide to distribute the photocopies or information contained therein to others, including other governmental agencies. You agree to reimburse me for our personnel and other costs associated with our compliance with such requests. My policy is to retain workpapers for five years after the engagement.

During the term of this engagement, I agree to comply with the provisions of K.S.A. 44-1030.

You agree that the term "those charged with governance", as used in Statement of Auditing Standards No. 114 for defining our communication responsibilities under that standard, consists of the superintendent and the Board of Education.


It is understood that the services provided by my firm necessarily rely, to some extent, on information provided by your organization, including management representations, as well as information and documents. Accordingly, your organization indemnifies my firm and its owners and employees, and holds them harmless from all claims, liabilities, losses or costs in connection with services provided by our firm that are affected in any way by erroneous, misleading, or incomplete information furnished by your organization. This indemnification will survive any terminations under this letter.

Gordon CPA LLC and the District agree that any dispute arising hereunder (other than my efforts to collect unpaid fees and expenses) will, prior to resorting to litigation, be submitted to mediation by the parties. The parties will engage in the mediation process in good faith and such process shall be commenced by the written request by either party to the other to mediate any such dispute or alleged breach of this Agreement. Any mediation initiated as a result shall be administered within the state and county of the Gordon CPA LLC office servicing the District by a mutually agreed-upon mediator in accordance with generally accepted mediation rules. Such mediation shall be binding on both parties only after execution of a written agreement setting forth the terms and conditions agreed to pursuant to such mediation. Any and all costs of mediation shall be divided equally between the parties hereto.

We agree that my gross fee for the audit of the financial statements and the audit of one major program under the single audit, including all expenses, shall not exceed \$20,000. The fee for each additional major single audit program shall not exceed \$2,100. Invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If I elect to terminate our services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit, including but not limited to delays resulting from the untimely delivery of and/or incomplete preparation of schedules and questionnaires I have requested from your staff. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to the Unified School District No. 202 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return to me.

Gordon CPA LLC
Certified Public Accountant



By: _____
Sean M. Gordon, CPA

RESPONSE:

This letter correctly sets forth the understanding of the Unified School District No. 202.

Management Signature: _____

Title: _____

Date: _____

Governance Signature: _____

Title: _____

Date: _____