

UNIFIED SCHOOL DISTRICT NO. 230

Spring Hill, Kansas

Financial Statements

For the Year Ended June 30, 2022

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UNIFIED SCHOOL DISTRICT NO. 230
Financial Statements
For the Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 230
Spring Hill, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 230, Spring Hill, Kansas (the District), as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying 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 the District as of June 30, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2022, 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.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District 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.

Responsibilities of Management 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-related municipal entity (Schedules 1, 2, 3 and 4) 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 basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2022, on our consideration of the District's internal control over financial reporting and 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 the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2021 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2022 (Schedule 2 as listed in the table of contents), is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated November 1, 2021, which contained an unmodified opinion on the basic financial statement. The 2021 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 <https://admin.ks.gov/offices/oar/municipalservices>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 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 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 2021 basic financial statement or to the 2021 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 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 4, 2022

UNIFIED SCHOOL DISTRICT NO. 230
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled Encumbrances	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Funds							
General Funds:							
General	\$ -	\$ -	\$ 33,840,067	\$ 33,840,067	\$ -	\$ 2,049,778	\$ 2,049,778
Supplemental General	514,696	-	8,293,436	8,325,807	482,325	-	482,325
Special Purpose Funds:							
Capital Outlay	421,350	-	5,106,813	3,607,146	1,921,017	-	1,921,017
Driver Training	52,836	-	42,246	43,150	51,932	-	51,932
Food Service	573,919	-	3,141,515	2,309,093	1,406,341	[141]	1,406,200
Parent Education	9,815	-	36,000	36,000	9,815	-	9,815
Special Education	859,476	-	6,721,872	6,968,348	613,000	556,472	1,169,472
Vocational Education	69,903	-	644,582	605,046	109,439	68,496	177,935
Special Assessment	294,004	-	427,430	260,353	461,081	-	461,081
KPERS Special Retirement							
Contribution	-	-	4,046,865	4,046,865	-	-	-
Professional Development	16,981	-	130,120	132,170	14,931	-	14,931
At Risk (4 Year Old)	13,654	-	50,000	47,046	16,608	4,528	21,136
At Risk (K-12)	80,644	-	885,000	859,735	105,909	59,395	165,304
Bilingual Education	8,998	-	125,000	123,264	10,734	20,626	31,360
Extraordinary Growth Facility	1,629	-	3,716,071	3,717,700	-	-	-
Special Liability	53,131	-	164,039	45,795	171,375	-	171,375
Special Reserve	738,454	-	3,701,410	4,011,500	428,364	-	428,364
Federal Funds	[423,695]	-	990,639	1,070,742	[503,798]	65,833	[437,965]
Virtual Education	-	-	8,468,840	8,468,840	-	-	-
Textbook Rental	287,429	-	318,301	331,869	273,861	-	273,861
Gifts and Grants	146,063	-	64,431	144,290	66,204	1,607	67,811
Contingency Reserve	500,419	-	-	-	500,419	-	500,419
Bond Construction	43,799,819	-	[129,734]	30,734,041	12,936,044	-	12,936,044
Bond Construction #2	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-
District Activities	196,881	-	426,751	351,562	272,070	-	272,070
Bond and Interest Fund:							
Bond and Interest	<u>4,851,665</u>	<u>-</u>	<u>18,873,413</u>	<u>13,228,211</u>	<u>10,496,867</u>	<u>-</u>	<u>10,496,867</u>
Total Reporting Entity (excluding Agency Funds)	<u>\$ 53,068,071</u>	<u>\$ -</u>	<u>\$ 100,085,107</u>	<u>\$ 123,308,640</u>	<u>\$ 29,844,538</u>	<u>\$ 2,826,594</u>	<u>\$ 32,671,132</u>

Composition of Cash:

State Bank of Spring Hill	
Checking Accounts	\$ 4,946,705
Certificate of Deposit	15,000
First Option Bank	
Checking Account	4,690
Money Market	8,142,889
TriCentury Bank	
Checking Account	285,985
Certificates of Deposit	247,255
Security Bank	
Money Market	1,767,607
U.S. Government & Agency Obligations	<u>17,490,488</u>
Cash Balance	32,900,619
Less: Agency Funds per Schedule 3	<u>[229,487]</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 32,671,132</u>

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 230 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the District (the primary government). The District's only related municipal entity, the Recreation Commission, has not been presented.

The Spring Hill Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the District levies taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute K.S.A. 12-1928. Two of the five members of the Recreation Commission's governing body are appointed by the District, two other members are appointed by the City and the final member is appointed by the other four previously appointed members. The separately audited financial statements of the Recreation Commission are available upon request at the Recreation Commission office.

Reimbursed Expenses

Expenditures in the amount of \$208,775 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (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 generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2022:

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other 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 payment of general long-term debt.

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Agency Fund - funds used to report assets held by the District in a purely custodial capacity (payroll clearing fund, student organization fund, etc.)

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
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.

If the District is holding a revenue neutral rating hearing, the budget timeline for the adoption of the final budget has been adjusted to on or before September 20th. The District was not required to hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis 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. The budget was not amended for the year ended June 30, 2022.

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 statements 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 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 the following special purpose funds: Special Reserve, Textbook Rental, Contingency Reserve, Bond Construction, Bond Construction #2, Cost of Issuance, and District Activity.

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.

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 2 - Deposits and Investments

As of June 30, 2022, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating U.S.</u>
		<u>Less than 1</u>	<u>Greater than 1</u>	
Commercial Paper	\$ 10,935,055	\$ 9,834,675	\$ 1,100,380	Various
U.S. Treasury Notes	2,309,228	-	2,309,228	S&P AA+
U.S. Treasury Bills	3,353,444	2,376,564	976,880	S&P AA+
Other Federal Government Obligations	2,163,447	892,762	1,270,685	S&P AA+
Total investments measured at fair value	<u>\$ 18,761,174</u>	<u>\$ 13,104,001</u>	<u>\$ 5,657,173</u>	

Deposits. 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.

Investments. 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.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

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, 2022, was as follows:

<u>Investments</u>	<u>Percentage of Investment</u>
Commercial Paper	58.29%
U.S. Treasury Notes	12.31%
U.S. Treasury Bills	17.87%
Other Federal Government Obligations	11.53%

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods."

As of June 30, 2022, the District's carrying amount of deposits was \$14,139,445 and the bank balance was \$16,135,767. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$997,255 was covered by federal depository insurance and \$15,138,512 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.

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

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 establishes 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 contribution rates are withheld by their employer and paid to KPERS according to provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 15.59% and 14.23%, respectively, for the fiscal year ended June 30, 2021. The actuarially determined employer contribution rate and the statutory contribution rate was 14.83% and 13.33% for the fiscal year ended June 30, 2022.

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 payments of \$19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of \$56 million was paid in fiscal year 2018. This bill also authorized a payment of \$82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of \$115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of \$51 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$4,046,865 for the year ended June 30, 2022.

Net Pension Liability. As of June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was \$29,785,148. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 4 - Other Long-Term Obligations from Operations

Other Post-Employment 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 this 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. There is no cost to the District under this program.

Death and Disability Other-Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2022.

NOTE 5 - Compensated Absences

Classified employees' vacation days can be carried over to the twelve months following the end of the year in which they were earned. The amount of unused vacation for classified employees as of June 30, 2022 is \$211,524.

NOTE 6 - Sick Leave Buyback

Under terms of the District's personnel policy, the District can buy back unused sick leave from employees at a rate of pay that varies depending on whether the employee is classified or certified and their length of service with the District. For the year ended June 30, 2022, the District purchased \$9,430 in sick leave from District employees.

NOTE 7 - Employee Health Care

The District has established a program to pay medical claims of covered employees through a cost-plus healthcare insurance plan. Health insurance claims are paid monthly to the insurance provider up to a maximum claims liability. Under the contract, the District pays the lower amount between actual monthly claims plus any carryforward deficit or a monthly premium plus any carryforward surplus. A carryforward surplus represents an unused maximum claims liability, while a carryforward deficit represents a funding shortage. The amount of carryforward deficit as of June 30, 2022, was \$212,569.

NOTE 8 - 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; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2022.

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 10 - In-Substance Receipt in Transit

The District received \$1,388,457 in General State Aid and \$266,507 in Supplemental General State Aid subsequent to June 30, 2022 and as required by K.S.A. 72-6466 the receipts were recorded as in-substance receipts in transit and included as receipts for the year ended June 30, 2022.

NOTE 11 - Interfund Transfers

Transfers for the year ended June 30, 2022, are approved by the Board of Education and are as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	At Risk (4 Year Old)	\$ 50,000	K.S.A. 72-6478
General	Professional Development	130,120	K.S.A. 72-6478
General	At Risk (K-12)	550,000	K.S.A. 72-6478
General	Parent Education	36,000	K.S.A. 72-6478
General	Special Education	5,245,869	K.S.A. 72-6478
General	Virtual Education	8,468,840	K.S.A. 72-6478
General	Bilingual Education	105,000	K.S.A. 72-6478
General	Vocational Education	120,000	K.S.A. 72-6478
Supplemental General	At Risk (K-12)	335,000	K.S.A. 72-6478
Supplemental General	Bilingual Education	20,000	K.S.A. 72-6478
Supplemental General	Vocational Education	502,918	K.S.A. 72-6478
Total		<u>\$ 15,563,747</u>	

NOTE 12 - Capital Projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

<u>Fund</u>	<u>Project</u>	<u>Project Authorization</u>	<u>Expenditures To Date</u>
Bond Construction #2 Funds	Timber Sage	\$19,827,914	\$19,827,914
Bond Construction #2 Funds	Woodland Spring Middle School	31,829,013	31,829,013
Bond Construction #2 Funds	Early Childhood Center	2,599,094	2,599,094
Bond Construction #2 Funds	SHHS-Phase I	10,926,140	10,926,140
Bond Construction #2 Funds	SHHS-Phase II	8,332,010	8,332,010
Bond Construction #2 Funds	New SHES Gym	2,278,367	2,278,367
Bond Construction #2 Funds	Maintenance	500,000	500,000
Bond Construction #2 Funds	Education Technology	1,000,000	1,000,000
Bond Construction #2 Funds	Future Land Purchase	650,000	3,141,183
Bond Construction #2 Funds	Parking Lot	930,740	930,740
Bond Construction #2 Funds	USD 230 Contingency	2,680,216	189,033
Bond Construction #2 Funds	Other Projects	846,506	846,506
Bond Construction #2 Funds	Dayton Creek ES	21,500,000	21,379,802
Bond Construction #2 Funds	New MS #3	34,500,000	25,071,547
Bond Construction #2 Funds	Education Services Center	10,000,000	9,977,680
Bond Construction #2 Funds	Site Acquisition/Off Site Development	2,000,000	1,312,496
Bond Construction #2 Funds	School Safety	500,000	-
Bond Construction #2 Funds	Technology	500,000	500,000
Bond Construction #2 Funds	Maintenance	500,000	302,692
Bond Construction #2 Funds	USD 230 Contingency	2,500,000	27,513

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 13 - Long-Term Debt

The following table summarizes changes in long-term debt for the year ended June 30, 2022:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
G.O. Bonds To Be Paid With:					
Tax Levies					
2012 Refunding Bonds	\$ 2,425,000	\$ -	\$ 2,425,000	\$ -	\$ 36,375
2013 Refunding Bonds	2,530,000	-	-	2,530,000	75,900
2016 Refunding Bonds	15,810,000	-	-	15,810,000	372,250
2016-B Improvement Series	73,970,000	-	-	73,970,000	2,812,850
2016-C Refunding Series	2,790,000	-	-	2,790,000	75,085
2017-A Refunding Series	9,290,000	-	-	9,290,000	174,281
2017-B Refunding Series	5,245,000	-	-	5,245,000	215,550
2018-A Improvement Series	42,055,000	-	-	42,055,000	3,464,050
2018-B Refunding Series	2,135,000	-	2,135,000	-	34,694
2020-A Refunding Series	1,595,000	-	-	1,595,000	15,950
2020-B Refunding Series	35,960,000	-	-	35,960,000	-
2021 Refunding Series	31,815,000	-	150,000	31,665,000	323,367
	<u>225,620,000</u>	<u>-</u>	<u>4,710,000</u>	<u>220,910,000</u>	<u>7,600,352</u>
Finance Leases					
Apple Lease	333,648	-	333,648	-	-
Enterprise Fleet Leases	-	182,067	-	182,067	-
	<u>333,648</u>	<u>182,067</u>	<u>333,648</u>	<u>182,067</u>	<u>-</u>
Total	<u>\$ 225,953,648</u>	<u>\$ 182,067</u>	<u>\$ 5,043,648</u>	<u>\$ 221,092,067</u>	<u>\$ 7,600,352</u>

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2022:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2022</u>
G.O. Bonds to be paid with tax levies:					
2013 Refunding Series	1/9/13	9/1/22	3.00%	\$ 8,975,000	\$ 2,530,000
2016 Refunding Series	5/10/16	9/1/30	2.00 - 3.50%	25,515,000	15,810,000
2016-B Improvement Series	10/27/16	9/1/37	3.00 - 5.00%	82,400,000	73,970,000
2016-C Refunding Series	10/27/16	9/1/28	2.50 - 2.85%	2,790,000	2,790,000
2017-A Refunding Series	3/28/17	9/1/31	2.63 - 4.00%	9,290,000	9,290,000
2017-B Refunding Series	6/7/17	9/1/23	3.00 - 5.00%	5,245,000	5,245,000
2018-A Improvement Series	12/18/18	9/1/34	3.00 - 5.00%	72,000,000	42,055,000
2020-A Refunding Series	3/31/20	9/1/29	2.65%	1,595,000	1,595,000
2020-B Refunding Series	3/31/20	9/1/39	2.65%	35,960,000	35,960,000
2021 Refunding Series	3/1/21	9/1/31	0.20 - 1.64%	31,815,000	31,665,000
				<u>\$ 275,585,000</u>	<u>\$ 220,910,000</u>

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 13 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 6,345,000	\$ 7,986,614	\$ 14,331,614
2024	7,215,000	7,815,492	15,030,492
2025	7,250,000	7,716,128	14,966,128
2026	8,615,000	7,535,096	16,150,096
2027	9,675,000	7,159,495	16,834,495
2028 - 2032	62,665,000	25,829,477	88,494,477
2033 - 2037	84,695,000	12,321,950	97,016,950
2038 - 2040	34,450,000	812,400	35,262,400
	<u>\$ 220,910,000</u>	<u>\$ 77,176,651</u>	<u>\$ 298,086,651</u>

As of June 30, 2022, the remaining principal balance of outstanding debt issues previously defeased is \$56,740,000. The principal and interest payments for these bonds will be paid by the trustee for the related escrow securities on the scheduled payment dates. This amount is not recorded in these financial statements.

Legal Debt Margin. The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

Finance Leases. The following table details the District's outstanding finance leases as of June 30, 2022:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2022</u>
Finance Leases:					
Apple Lease	5/22/2019	5/22/22	0.00%	\$ 1,334,592	\$ -
Enterprise Fleet Leases	Various	Various	0.00%	182,067	182,067
				<u>\$ 1,516,659</u>	<u>\$ 182,067</u>

The annual debt service requirements to maturity for the capital lease is as follows:

Year Ended June 30,	Principal	Interest	Total
2023	\$ 51,430	\$ -	\$ 51,430
2024	31,993	-	31,993
2025	31,993	-	31,993
2026	31,993	-	31,993
2027	31,993	-	31,993
2028	2,666	-	2,666
	<u>\$ 182,067</u>	<u>\$ -</u>	<u>\$ 182,067</u>

NOTE 14 - Subsequent Events

On August 19, 2022, the District entered into finance lease agreements for 14 Enterprise Fleet vehicles. The lease agreement calls for monthly payments of \$16,291 through August 2023.

UNIFIED SCHOOL DISTRICT NO. 230
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
General Funds						
General	\$ 39,245,119	\$ [5,613,827]	\$ 208,775	\$ 33,840,067	\$ 33,840,067	\$ -
Supplemental General	8,753,410	[427,603]	-	8,325,807	8,325,807	-
Special Purpose Funds:						
Capital Outlay	4,275,000	-	-	4,275,000	3,607,146	[667,854]
Driver Training	85,025	-	-	85,025	43,150	[41,875]
Food Service	2,309,100	-	-	2,309,100	2,309,093	[7]
Parent Education	44,815	-	-	44,815	36,000	[8,815]
Special Education	7,427,500	-	-	7,427,500	6,968,348	[459,152]
Vocational Education	610,050	-	-	610,050	605,046	[5,004]
Special Assessment	375,000	-	-	375,000	260,353	[114,647]
KPERs Special Retirement						
Contribution	5,344,568	-	-	5,344,568	4,046,865	[1,297,703]
Professional Development	155,487	-	-	155,487	132,170	[23,317]
At Risk (4 Year Old)	62,025	-	-	62,025	47,046	[14,979]
At Risk (K-12)	1,379,050	-	-	1,379,050	859,735	[519,315]
Bilingual Education	176,000	-	-	176,000	123,264	[52,736]
Extraordinary Growth Facility	3,750,000	-	-	3,750,000	3,717,700	[32,300]
Special Liability	135,000	-	-	135,000	45,795	[89,205]
Federal Funds	1,595,000	-	-	1,595,000	1,070,742	[524,258]
Virtual Education	12,719,750	-	-	12,719,750	8,468,840	[4,250,910]
Gifts and Grants	245,000	-	-	245,000	144,290	[100,710]
Bond and Interest Fund:						
Bond and Interest	13,228,211	-	-	13,228,211	13,228,211	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year	Current Year		Variance Over [Under]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
State aid	\$ 36,342,550	\$ 33,631,292	\$ 39,245,119	\$ [5,613,827]
Reimbursements	154,858	208,775	-	208,775
Total Receipts	<u>36,497,408</u>	<u>33,840,067</u>	<u>\$ 39,245,119</u>	<u>\$ [5,405,052]</u>
Expenditures				
Instruction	9,297,780	10,607,625	\$ 11,156,769	\$ [549,144]
Student support services	1,195,882	1,318,273	1,273,300	44,973
Instructional support staff	762,261	862,033	863,000	[967]
General administration	720,524	629,217	538,300	90,917
School administration	1,796,798	2,410,226	2,310,500	99,726
Central services	1,066,247	1,262,388	1,234,000	28,388
Operations and maintenance	677,287	263,984	752,000	[488,016]
Transportation	1,779,462	1,780,492	1,860,000	[79,508]
Transfers out	19,201,167	14,705,829	19,257,250	[4,551,421]
Adjustments to comply with legal max	-	-	[5,613,827]	5,613,827
Adjustments for qualifying budget credits	-	-	208,775	[208,775]
Total Expenditures	<u>36,497,408</u>	<u>33,840,067</u>	<u>\$ 33,840,067</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 230
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 3,393,244	\$ 3,107,502	\$ 3,239,914	\$ [132,412]
Delinquent taxes	19,849	10,059	17,108	[7,049]
Motor vehicle taxes	267,200	309,883	284,767	25,116
Recreational vehicle taxes	4,070	4,379	3,940	439
Commercial vehicle taxes	3,510	4,972	3,839	1,133
Miscellaneous	117,137	4,856,641	115,671	4,740,970
State aid	4,613,327	-	5,097,986	[5,097,986]
Total Receipts	<u>8,418,337</u>	<u>8,293,436</u>	<u>\$ 8,763,225</u>	<u>\$ [469,789]</u>
Expenditures				
Instruction	4,387,496	4,495,292	\$ 4,469,910	\$ 25,382
Central services	2,900	14,186	750	13,436
Operations and maintenance	2,817,423	2,958,411	3,072,750	[114,339]
Transfers out	890,000	857,918	1,210,000	[352,082]
Adjustments to comply with legal max	-	-	[427,603]	427,603
Total Expenditures	<u>8,097,819</u>	<u>8,325,807</u>	<u>\$ 8,325,807</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	320,518	[32,371]		
Unencumbered Cash, Beginning	<u>194,178</u>	<u>514,696</u>		
Unencumbered Cash, Ending	<u>\$ 514,696</u>	<u>\$ 482,325</u>		

UNIFIED SCHOOL DISTRICT NO. 230
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,413,332	\$ 2,737,997	\$ 2,466,392	\$ 271,605
Delinquent taxes	17,417	10,897	12,119	[1,222]
Motor vehicle taxes	249,767	249,352	233,131	16,221
Recreational vehicle taxes	3,830	3,621	3,225	396
Commercial vehicle taxes	3,136	3,684	3,143	541
Lease proceeds	-	182,067	-	182,067
Miscellaneous revenue	213,752	333,370	94,697	238,673
State aid	<u>1,094,231</u>	<u>1,585,825</u>	<u>1,585,825</u>	<u>-</u>
Total Receipts	<u>3,995,465</u>	<u>5,106,813</u>	<u>\$ 4,398,532</u>	<u>\$ 708,281</u>
Expenditures				
Instruction	1,075,086	771,165	\$ 1,150,000	\$ [378,835]
Operations and maintenance	1,311,592	2,835,981	3,125,000	[289,019]
Facilities acquisition and construction	<u>4,598,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>6,984,788</u>	<u>3,607,146</u>	<u>\$ 4,275,000</u>	<u>\$ [667,854]</u>
Receipts Over [Under] Expenditures	[2,989,323]	1,499,667		
Unencumbered Cash, Beginning	<u>3,410,673</u>	<u>421,350</u>		
Unencumbered Cash, Ending	<u>\$ 421,350</u>	<u>\$ 1,921,017</u>		

UNIFIED SCHOOL DISTRICT NO. 230
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 37,126	\$ 27,484	\$ -	\$ 27,484
Miscellaneous	-	-	40,000	[40,000]
State aid	9,282	14,762	19,200	[4,438]
Total Receipts	<u>46,408</u>	<u>42,246</u>	<u>\$ 59,200</u>	<u>\$ [16,954]</u>
Expenditures				
Instruction	28,948	33,572	\$ 82,025	\$ [48,453]
Vehicle operating and maintenance	2,317	9,578	3,000	6,578
Total Expenditures	<u>31,265</u>	<u>43,150</u>	<u>\$ 85,025</u>	<u>\$ [41,875]</u>
Receipts Over [Under] Expenditures	15,143	[904]		
Unencumbered Cash, Beginning	<u>37,693</u>	<u>52,836</u>		
Unencumbered Cash, Ending	<u>\$ 52,836</u>	<u>\$ 51,932</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Federal aid	\$ 433	\$ 68,597	\$ 1,637,675	\$ [1,569,078]
State aid	1,744,232	2,708,920	15,400	2,693,520
Charges for services	185,160	345,298	221,980	123,318
Miscellaneous	14,805	18,700	20,000	[1,300]
Investment income	-	-	20,000	[20,000]
Transfers in	<u>2,225</u>	<u>-</u>	<u>2,500</u>	<u>[2,500]</u>
Total Receipts	<u>1,946,855</u>	<u>3,141,515</u>	<u>\$ 1,917,555</u>	<u>\$ 1,223,960</u>
Expenditures				
Operation and maintenance	33,306	44,403	\$ 37,600	\$ 6,803
Food service operation	<u>1,714,162</u>	<u>2,264,690</u>	<u>2,271,500</u>	<u>[6,810]</u>
Total Expenditures	<u>1,747,468</u>	<u>2,309,093</u>	<u>\$ 2,309,100</u>	<u>\$ [7]</u>
Receipts Over [Under] Expenditures	199,387	832,422		
Unencumbered Cash, Beginning	<u>374,532</u>	<u>573,919</u>		
Unencumbered Cash, Ending	<u>\$ 573,919</u>	<u>\$ 1,406,341</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Transfers in	\$ 32,000	\$ 36,000	\$ 35,000	\$ 1,000
Total Receipts	<u>32,000</u>	<u>36,000</u>	<u>\$ 35,000</u>	<u>\$ 1,000</u>
Expenditures				
Student support services	<u>32,000</u>	<u>36,000</u>	\$ 44,815	\$ [8,815]
Total Expenditures	<u>32,000</u>	<u>36,000</u>	<u>\$ 44,815</u>	<u>\$ [8,815]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>9,815</u>	<u>9,815</u>		
Unencumbered Cash, Ending	<u>\$ 9,815</u>	<u>\$ 9,815</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 678,553	\$ 1,157,702	\$ 1,122,066	\$ 35,636
Reimbursements	165,557	190,902	-	190,902
Miscellaneous revenue	71,700	97,001	50,000	47,001
Investment income	32,654	30,398	50,000	[19,602]
Transfers in	<u>6,227,351</u>	<u>5,245,869</u>	<u>5,400,000</u>	<u>[154,131]</u>
Total Receipts	<u>7,175,815</u>	<u>6,721,872</u>	<u>\$ 6,622,066</u>	<u>\$ 99,806</u>
Expenditures				
Instruction	5,309,343	5,354,104	\$ 5,590,000	\$ [235,896]
Student support services	788,717	1,378,804	866,000	512,804
Instructional support staff	-	-	2,500	[2,500]
General administration	438,704	-	594,000	[594,000]
Transportation	<u>207,076</u>	<u>235,440</u>	<u>375,000</u>	<u>[139,560]</u>
Total Expenditures	<u>6,743,840</u>	<u>6,968,348</u>	<u>\$ 7,427,500</u>	<u>\$ [459,152]</u>
Receipts Over [Under] Expenditures	431,975	[246,476]		
Unencumbered Cash, Beginning	<u>427,501</u>	<u>859,476</u>		
Unencumbered Cash, Ending	<u>\$ 859,476</u>	<u>\$ 613,000</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Miscellaneous revenue	\$ 18,526	\$ 21,664	\$ 25,000	\$ [3,336]
Transfers in	<u>530,000</u>	<u>622,918</u>	<u>575,000</u>	<u>47,918</u>
Total Receipts	<u>548,526</u>	<u>644,582</u>	<u>\$ 600,000</u>	<u>\$ 44,582</u>
Expenditures				
Instruction	<u>516,241</u>	<u>605,046</u>	<u>\$ 610,050</u>	<u>\$ [5,004]</u>
Total Expenditures	<u>516,241</u>	<u>605,046</u>	<u>\$ 610,050</u>	<u>\$ [5,004]</u>
Receipts Over [Under] Expenditures	32,285	39,536		
Unencumbered Cash, Beginning	<u>37,618</u>	<u>69,903</u>		
Unencumbered Cash, Ending	<u>\$ 69,903</u>	<u>\$ 109,439</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Special Assessment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ -	\$ 415,677	\$ 364,026	\$ 51,651
Delinquent taxes	195	325	-	325
Miscellaneous	-	11,428	-	11,428
Total Receipts	<u>195</u>	<u>427,430</u>	<u>\$ 364,026</u>	<u>\$ 63,404</u>
Expenditures				
Facilities acquisition	<u>191,030</u>	<u>260,353</u>	<u>\$ 375,000</u>	<u>\$ [114,647]</u>
Total Expenditures	<u>191,030</u>	<u>260,353</u>	<u>\$ 375,000</u>	<u>\$ [114,647]</u>
Receipts Over [Under] Expenditures	[190,835]	167,077		
Unencumbered Cash, Beginning	<u>484,839</u>	<u>294,004</u>		
Unencumbered Cash, Ending	<u>\$ 294,004</u>	<u>\$ 461,081</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
KPERs Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 3,737,460	\$ 4,046,865	\$ 5,344,568	\$ [1,297,703]
Total Receipts	<u>3,737,460</u>	<u>4,046,865</u>	<u>\$ 5,344,568</u>	<u>\$ [1,297,703]</u>
Expenditures				
Instruction	2,520,870	2,729,558	\$ 3,750,000	\$ [1,020,442]
Student support services	174,623	189,080	250,000	[60,920]
Instructional support services	135,784	147,025	175,000	[27,975]
General administration	141,386	153,091	195,000	[41,909]
School administration	313,038	338,953	425,000	[86,047]
Other support services	145,451	157,492	195,000	[37,508]
Operations and maintenance	225,487	244,154	264,568	[20,414]
Food service	80,821	87,512	90,000	[2,488]
Total Expenditures	<u>3,737,460</u>	<u>4,046,865</u>	<u>\$ 5,344,568</u>	<u>\$ [1,297,703]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
State aid	\$ 38,345	\$ -	\$ -	\$ -
Miscellaneous	1,100	-	-	-
Transfers in	<u>115,000</u>	<u>130,120</u>	<u>150,000</u>	<u>[19,880]</u>
Total Receipts	<u>154,445</u>	<u>130,120</u>	<u>\$ 150,000</u>	<u>\$ [19,880]</u>
Expenditures				
Instructional support services	146,580	59,330	\$ 147,379	\$ [88,049]
Student support services	-	42,800	-	42,800
Other support services	<u>4,518</u>	<u>30,040</u>	<u>8,108</u>	<u>21,932</u>
Total Expenditures	<u>151,098</u>	<u>132,170</u>	<u>\$ 155,487</u>	<u>\$ [23,317]</u>
Receipts Over [Under] Expenditures	3,347	[2,050]		
Unencumbered Cash, Beginning	<u>13,634</u>	<u>16,981</u>		
Unencumbered Cash, Ending	<u>\$ 16,981</u>	<u>\$ 14,931</u>		

UNIFIED SCHOOL DISTRICT NO. 230
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Transfers in	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total Receipts	<u>50,000</u>	<u>50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Expenditures				
Instruction	30,954	28,621	\$ 44,500	\$ [15,879]
School administration	<u>15,454</u>	<u>18,425</u>	<u>17,525</u>	<u>900</u>
Total Expenditures	<u>46,408</u>	<u>47,046</u>	<u>\$ 62,025</u>	<u>\$ [14,979]</u>
Receipts Over [Under] Expenditures	3,592	2,954		
Unencumbered Cash, Beginning	<u>10,062</u>	<u>13,654</u>		
Unencumbered Cash, Ending	<u>\$ 13,654</u>	<u>\$ 16,608</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Transfers in	\$ 1,000,000	\$ 885,000	\$ 1,365,000	\$ [480,000]
Total Receipts	<u>1,000,000</u>	<u>885,000</u>	<u>\$ 1,365,000</u>	<u>\$ [480,000]</u>
Expenditures				
Instruction	978,141	854,014	\$ 1,375,500	\$ [521,486]
School administration	1,780	36	3,550	[3,514]
Other support services	42	-	-	-
Transportation	-	5,685	-	5,685
Total Expenditures	<u>979,963</u>	<u>859,735</u>	<u>\$ 1,379,050</u>	<u>\$ [519,315]</u>
Receipts Over [Under] Expenditures	20,037	25,265		
Unencumbered Cash, Beginning	<u>60,607</u>	<u>80,644</u>		
Unencumbered Cash, Ending	<u>\$ 80,644</u>	<u>\$ 105,909</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Transfers in	\$ 130,000	\$ 125,000	\$ 170,000	\$ [45,000]
Total Receipts	<u>130,000</u>	<u>125,000</u>	<u>\$ 170,000</u>	<u>\$ [45,000]</u>
Expenditures				
Instruction	<u>126,533</u>	<u>123,264</u>	<u>\$ 176,000</u>	<u>\$ [52,736]</u>
Total Expenditures	<u>126,533</u>	<u>123,264</u>	<u>\$ 176,000</u>	<u>\$ [52,736]</u>
Receipts Over [Under] Expenditures	3,467	1,736		
Unencumbered Cash, Beginning	<u>5,531</u>	<u>8,998</u>		
Unencumbered Cash, Ending	<u>\$ 8,998</u>	<u>\$ 10,734</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Extraordinary Growth Facility Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,939,802	\$ 3,427,441	\$ 156,050	\$ 3,271,391
Delinquent taxes	16,748	7,721	14,811	[7,090]
Motor vehicle taxes	240,548	264,377	242,907	21,470
Recreational vehicle taxes	3,641	3,732	3,361	371
Commercial vehicle taxes	2,991	4,284	3,275	1,009
Miscellaneous	<u>97,899</u>	<u>8,516</u>	<u>98,668</u>	<u>[90,152]</u>
Total Receipts	<u>3,301,629</u>	<u>3,716,071</u>	<u>\$ 519,072</u>	<u>\$ 3,196,999</u>
Expenditures				
State payment	<u>3,300,000</u>	<u>3,717,700</u>	<u>\$ 3,750,000</u>	<u>\$ [32,300]</u>
Total Expenditures	<u>3,300,000</u>	<u>3,717,700</u>	<u>\$ 3,750,000</u>	<u>\$ [32,300]</u>
Receipts Over [Under] Expenditures	1,629	[1,629]		
Unencumbered Cash, Beginning	<u>-</u>	<u>1,629</u>		
Unencumbered Cash, Ending	<u>\$ 1,629</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Special Liability Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ -	\$ 163,589	\$ 143,299	\$ 20,290
Delinquent taxes	21	38	-	38
Miscellaneous	-	412	-	412
Total Receipts	<u>21</u>	<u>164,039</u>	<u>\$ 143,299</u>	<u>\$ 20,740</u>
Expenditures				
Instruction	<u>56,795</u>	<u>45,795</u>	<u>\$ 135,000</u>	<u>\$ [89,205]</u>
Total Expenditures	<u>56,795</u>	<u>45,795</u>	<u>\$ 135,000</u>	<u>\$ [89,205]</u>
Receipts Over [Under] Expenditures	[56,774]	118,244		
Unencumbered Cash, Beginning	<u>109,905</u>	<u>53,131</u>		
Unencumbered Cash, Ending	<u>\$ 53,131</u>	<u>\$ 171,375</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Special Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ 3,649,360	\$ 3,701,410
Total Receipts	<u>3,649,360</u>	<u>3,701,410</u>
Expenditures		
Instruction	<u>3,960,959</u>	<u>4,011,500</u>
Total Expenditures	<u>3,960,959</u>	<u>4,011,500</u>
Receipts Over [Under] Expenditures	[311,599]	[310,090]
Unencumbered Cash, Beginning	<u>1,050,053</u>	<u>738,454</u>
Unencumbered Cash, Ending	<u>\$ 738,454</u>	<u>\$ 428,364</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
Federal Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022

	Title I	Title II	ESSER II	ESSER II PSA	ESSER III	Actual	Budget	Variance Over [Under]
Receipts								
Federal aid	\$ 128,919	\$ 32,764	\$ 535,008	\$ 293,948	\$ -	\$ 990,639	\$ 3,045,860	\$ [2,055,221]
Total Receipts	128,919	32,764	535,008	293,948	-	990,639	\$ 3,045,860	\$ [2,055,221]
Expenditures								
Instruction	128,919	32,764	99,189	439,996	243,388	944,256	\$ 1,595,000	\$ [650,744]
Student support services	-	-	-	-	9,626	9,626	-	9,626
General administration	-	-	-	-	1,225	1,225	-	1,225
School administration	-	-	-	-	14,980	14,980	-	14,980
Central services	-	-	-	-	14,766	14,766	-	14,766
Operations and maintenance	-	-	44,817	-	19,650	64,467	-	64,467
Instructional support staff	-	-	-	-	5,315	5,315	-	5,315
Food service operation	-	-	-	-	16,107	16,107	-	16,107
Total Expenditures	128,919	32,764	144,006	439,996	325,057	1,070,742	\$ 1,595,000	\$ [524,258]
Receipts Over [Under] Expenditures	-	-	391,002	[146,048]	[325,057]	[80,103]		
Unencumbered Cash, Beginning	-	-	[423,695]	-	-	[423,695]		
Unencumbered Cash, Ending	\$ -	\$ -	\$ [32,693]	\$ [146,048]	\$ [325,057]	\$ [503,798]		

UNIFIED SCHOOL DISTRICT NO. 230
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Transfers in	\$ 12,004,590	\$ 8,468,840	\$ 12,719,750	\$ [4,250,910]
Total Receipts	<u>12,004,590</u>	<u>8,468,840</u>	<u>\$ 12,719,750</u>	<u>\$ [4,250,910]</u>
Expenditures				
Instruction	12,004,590	8,410,707	\$ 12,719,750	\$ [4,309,043]
Operations and maintenance	-	58,133	-	58,133
Total Expenditures	<u>12,004,590</u>	<u>8,468,840</u>	<u>\$ 12,719,750</u>	<u>\$ [4,250,910]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Textbook Rental Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 285,096	\$ 318,301
Total Receipts	<u>285,096</u>	<u>318,301</u>
Expenditures		
Instruction	<u>165,126</u>	<u>331,869</u>
Total Expenditures	<u>165,126</u>	<u>331,869</u>
Receipts Over [Under] Expenditures	119,970	[13,568]
Unencumbered Cash, Beginning	<u>167,459</u>	<u>287,429</u>
Unencumbered Cash, Ending	<u>\$ 287,429</u>	<u>\$ 273,861</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Miscellaneous revenue	\$ 177,460	\$ 64,431	\$ 175,000	\$ [110,569]
Total Receipts	<u>177,460</u>	<u>64,431</u>	<u>\$ 175,000</u>	<u>\$ [110,569]</u>
Expenditures				
Instruction	80,693	84,695	\$ 235,000	\$ [150,305]
Instruction support	<u>7,935</u>	<u>59,595</u>	<u>10,000</u>	<u>49,595</u>
Total Expenditures	<u>88,628</u>	<u>144,290</u>	<u>\$ 245,000</u>	<u>\$ [100,710]</u>
Receipts Over [Under] Expenditures	88,832	[79,859]		
Unencumbered Cash, Beginning	<u>57,231</u>	<u>146,063</u>		
Unencumbered Cash, Ending	<u>\$ 146,063</u>	<u>\$ 66,204</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	500,419	500,419
Unencumbered Cash, Ending	<u>\$ 500,419</u>	<u>\$ 500,419</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
Bond Construction Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Investment income	\$ 536,754	\$ [129,734]
Total Receipts	<u>536,754</u>	<u>[129,734]</u>
Expenditures		
Instruction	2,543,589	459,079
General administration	-	667
Central services	11,340	-
Operations and maintenance	507,534	632,110
Facilities acquisition	16,428,736	23,344,723
Miscellaneous	-	6,297,462
Total Expenditures	<u>19,491,199</u>	<u>30,734,041</u>
Receipts Over [Under] Expenditures	[18,954,445]	[30,863,775]
Unencumbered Cash, Beginning	<u>62,754,264</u>	<u>43,799,819</u>
Unencumbered Cash, Ending	<u>\$ 43,799,819</u>	<u>\$ 12,936,044</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
Bond Construction #2 Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Investment income	\$ 29,369	\$ -
Total Receipts	<u>29,369</u>	<u>-</u>
Expenditures		
Capital outlay	2,463,864	-
Facilities acquisition	<u>30,000</u>	<u>-</u>
Total Expenditures	<u>2,493,864</u>	<u>-</u>
Receipts Over [Under] Expenditures	[2,464,495]	-
Unencumbered Cash, Beginning	<u>2,464,495</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
Cost of Issuance Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2022 and 2021

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Bond premium	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
General administration	<u>2,070</u>	<u>-</u>
Total Expenditures	<u>2,070</u>	<u>-</u>
Receipts Over [Under] Expenditures	[2,070]	-
Unencumbered Cash, Beginning	<u>2,070</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 5,656,480	\$ 6,382,295	\$ 5,789,491	\$ 592,804
Delinquent taxes	39,335	17,520	28,259	[10,739]
Motor vehicle taxes	667,138	692,895	633,551	59,344
Recreational vehicle taxes	10,197	9,972	8,765	1,207
Commercial vehicle tax	9,032	9,117	8,543	574
Miscellaneous	201,807	6,317,144	257,346	6,059,798
State aid/grants	4,125,867	5,444,470	5,444,470	-
Bond proceeds	31,815,000	-	1,000,000	[1,000,000]
Total Receipts	<u>42,524,856</u>	<u>18,873,413</u>	<u>\$ 13,170,425</u>	<u>\$ 5,702,988</u>
Expenditures				
Principal	4,585,000	4,710,000	\$ 4,710,000	\$ -
Interest	9,379,216	8,518,211	8,518,211	-
Refunded principal	26,795,000	-	-	-
Deposit to escrow account	4,539,736	-	-	-
Issuance costs	480,264	-	-	-
Total Expenditures	<u>45,779,216</u>	<u>13,228,211</u>	<u>\$ 13,228,211</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[3,254,360]	5,645,202		
Unencumbered Cash, Beginning	<u>8,106,025</u>	<u>4,851,665</u>		
Unencumbered Cash, Ending	<u>\$ 4,851,665</u>	<u>\$ 10,496,867</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

<u>FUND</u>	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Prairie Creek Elementary School				
Music choral	\$ 469	\$ -	\$ -	\$ 469
Student council	2,644	950	1,037	2,557
Library	1,531	-	-	1,531
Student needs	[610]	95	-	[515]
Art fees	321	-	-	321
Interest	1,448	7	-	1,455
Watch dogs	29	45	-	74
Interstate photography	4,959	701	1,042	4,618
Fundraising	[554]	2,060	2,454	[948]
Donations	175	170	137	208
Birthday party	[51]	48	-	[3]
Taxes	-	45	-	45
Teachers fund	288	1,002	2,595	[1,305]
Petty cash	922	625	32	1,515
Total Prairie Creek Elementary Activity Funds	<u>11,571</u>	<u>5,748</u>	<u>7,297</u>	<u>10,022</u>
Timber Sage Elementary School				
Student council	414	486	244	656
Library	8,639	15,259	4,154	19,744
Field trip	15	3,009	2,871	153
Rebates	59	9	1	67
Interstate photography	373	600	493	480
Watch Dogs	43	776	806	13
Pop	96	338	298	136
Birthday Party	450	15	-	465
Teachers Fund	433	700	442	691
Petty cash	1,500	8	8	1,500
Total Timber Sage Elementary Activity Funds	<u>12,022</u>	<u>21,200</u>	<u>9,317</u>	<u>23,905</u>
Spring Hill Elementary School				
Music	104	-	-	104
Student council	2,455	1,615	430	3,640
Teachers' fund	217	430	-	647
Counseling programs	82	-	-	82
Art	124	-	-	124
Science	2	-	-	2
Math	8	-	-	8
Field trip	752	322	279	795
Interest	124	8	1	131
Rebates	320	-	27	293
Watch Dogs	30	-	-	30
Wellness	144	-	-	144
Interstate photography	993	-	-	993
Gifts and grants	50	-	-	50
Pop machine	1,401	1,575	1,327	1,649
Birthday Party	[139]	10	-	[129]
Taxes	617	-	252	365
Petty cash	1,500	-	-	1,500
Total Spring Hill Elementary Activity Funds	<u>8,784</u>	<u>3,960</u>	<u>2,316</u>	<u>10,428</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

<u>FUND</u>	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Wolf Creek Elementary School				
Student council	\$ 695	\$ 1,611	\$ 1,727	\$ 579
5th Grade	1	-	1	-
Teachers' fund	1,999	955	238	2,716
Library	34	200	228	6
Student Activity	250	-	-	250
New Teachers	20	60	60	20
Reading	133	-	39	94
Field trip	603	4,737	4,956	384
Interest	39	9	2	46
Rebates	811	250	376	685
Watch Dogs	46	-	-	46
Student Wellness	996	-	-	996
Character key	185	-	-	185
Pop	269	489	406	352
Community Service	124	5	85	44
Birthday Party	676	23	-	699
Digital Night	15	-	-	15
Safety	1,938	-	-	1,938
Taxes	4	-	-	4
Petty cash	1,500	3,255	3,255	1,500
Total Wolf Creek Elementary Activity Funds	10,338	11,594	11,373	10,559
Dayton Creek Elementary School				
Stuco	-	165	-	165
Teachers' fund	-	668	346	322
Library	-	5,701	-	5,701
Art	-	225	-	225
Field trip	-	880	861	19
Interest	-	2	-	2
Rebates	-	4,234	4,234	-
Interstate Photography	-	313	-	313
Pop	-	397	121	276
Birthday Party	-	185	76	109
Petty cash	-	1,629	129	1,500
Total Dayton Creek Elementary Activity Funds	-	14,399	5,767	8,632

UNIFIED SCHOOL DISTRICT NO. 230
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

<u>FUND</u>	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Spring Hill Middle School				
Music	\$ 150	\$ 1,107	\$ 1,110	\$ 147
Drama	3,887	653	710	3,830
Band	191	300	300	191
Orchestra	140	-	-	140
Stuco	7,195	-	1,623	5,572
8th Grade	248	5,464	5,150	562
7th Grade	326	2,943	2,855	414
6th Grade	313	2,983	1,982	1,314
Teachers fund	[125]	1,057	1,312	[380]
Library	2,718	200	425	2,493
Scholars Bowl	71	225	193	103
Taxes	9	3,439	3,321	127
Family and consumer science	1,564	1,100	1,144	1,520
Cheerleaders	638	6,113	2,240	4,511
Art	393	-	-	393
Miscellaneous/student activities	5,820	1,648	1,401	6,067
Total Spring Hill Middle Activity Funds	<u>23,538</u>	<u>27,232</u>	<u>23,766</u>	<u>27,004</u>
Woodland Spring Middle School				
Music	-	3,287	1,679	1,608
Stuco	4,530	-	-	4,530
8th Grade	-	9,063	9,063	-
7th Grade	91	1,022	1,022	91
6th Grade	13	2,802	2,821	[6]
Drama	2,346	2,341	1,381	3,306
Band	-	2,247	32	2,215
Orchestra	23	2,464	94	2,393
Teachers' fund	661	498	1,144	15
Library	1,815	2,661	2,810	1,666
Miscellaneous/student activities	6,289	1,109	1,929	5,469
Art	251	-	-	251
Family and consumer science	1,341	10	659	692
Cheerleaders	1,172	3,939	3,440	1,671
Taxes	17	3,338	3,125	230
Petty Cash	-	-	48	[48]
Total Woodland Spring Middle School Activity Funds	<u>18,549</u>	<u>34,781</u>	<u>29,247</u>	<u>24,083</u>

UNIFIED SCHOOL DISTRICT NO. 230
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Spring Hill High School				
Music	\$ 225	\$ 1,879	\$ 1,289	\$ 815
Stuco	5,004	15,506	15,006	5,504
Band	865	3	-	868
SADD	2,742	3	189	2,556
Prom Special	6,011	5,547	6,393	5,165
Scholars Bowl	1,242	734	512	1,464
Scholars Bowl Activity	-	364	68	296
Environmental club	185	-	-	185
Student activity	933	-	-	933
Gifted student activities	-	1,101	1,036	65
Volunteer	1,164	750	1,587	327
National Honor Society	101	1,129	1,153	77
Debate/forensics	2,984	1,321	1,789	2,516
Orchestra	2,453	1,454	3,520	387
Orchestra Activity	8,531	42,454	45,252	5,733
Theatre	3,585	5,879	3,084	6,380
Theatre Activity	1,693	2,953	2,110	2,536
Student Publications	12,456	14,739	12,215	14,980
Seniors	5,544	606	5,619	531
Juniors	411	10,732	7,725	3,418
Sophomores	4,582	3,223	4,582	3,223
Freshman	3,062	378	3,148	292
Teachers fund	217	911	1,093	35
Library	981	175	77	1,079
School Development	3,265	-	-	3,265
Misc/St. activities	8,899	8,261	13,582	3,578
Advertising	1,850	-	-	1,850
Youth services	34	-	-	34
Uniform/Equipment	3,123	52,494	47,395	8,222
Career Development	2,687	903	1,449	2,141
Field Maintenance	555	-	-	555
Entry fees	-	8,857	8,857	-
Art	5,154	7,592	8,210	4,536
SH Print	-	252	153	99
FCCLA	1,598	-	-	1,598
Mfg and Engg	335	-	-	335
Foreign language	4	-	-	4
Business club	569	-	-	569
Science club	1,014	-	-	1,014
Spring Hill FFA	7,136	23,684	27,440	3,380
FFA Horticulture	3,877	4,933	4,338	4,472
Robotics	339	-	-	339
Stable store	616	-	-	616
Sr Class Water Fountain Project	2,014	-	-	2,014
Spirit club	2,936	4,589	3,373	4,152
Color Guard	3,378	3	3,378	3
Cheerleaders	-	35,447	32,515	2,932
Drill team	[50]	13,237	11,385	1,802
Athletic passes	1,897	763	409	2,251
Taxes	522	16,969	17,456	35
Total Spring Hill High School Activity Funds	<u>116,723</u>	<u>289,825</u>	<u>297,387</u>	<u>109,161</u>
District-wide petty cash	<u>5,693</u>	<u>3,977</u>	<u>3,977</u>	<u>5,693</u>
Total Agency Funds	<u>\$ 207,218</u>	<u>\$ 398,317</u>	<u>\$ 384,680</u>	<u>\$ 229,487</u>

See independent auditor's report on the financial statements.

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 230
 District Activities - Gate Receipts and School Project Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2022

<u>FUND</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<u>Gate Receipts:</u>							
Spring Hill Middle School	\$ 20,537	\$ -	\$ 45,538	\$ 26,748	\$ 39,327	\$ -	\$ 39,327
Woodland Spring Middle School	11,232	-	42,259	27,205	26,286	-	26,286
Spring Hill High School	119,946	-	265,907	238,281	147,572	-	147,572
Total Gate Receipts	151,715	-	353,704	292,234	213,185	-	213,185
<u>School Projects:</u>							
Prairie Creek Elementary School							
Yearbook	3,439	-	126	126	3,439	-	3,439
Total Prairie Creek Elementary School	3,439	-	126	126	3,439	-	3,439
Wolf Creek Elementary School							
Yearbook	3,074	-	216	395	2,895	-	2,895
Total Wolf Creek Elementary School	3,074	-	216	395	2,895	-	2,895
Spring Hill Elementary School							
Yearbook	2,932	-	911	97	3,746	-	3,746
Total Spring Hill Elementary School	2,932	-	911	97	3,746	-	3,746
Timber Sage Elementary School							
Yearbook	2,355	-	930	1,612	1,673	-	1,673
Total Timber Sage Elementary School	2,355	-	930	1,612	1,673	-	1,673
Dayton Creek Elementary School							
Yearbook	-	-	601	-	601	-	601
Total Dayton Creek Elementary School	-	-	601	-	601	-	601
Spring Hill Middle School							
Yearbook	588	-	3,902	9,996	[5,506]	-	[5,506]
Concessions	3,793	-	12,163	10,019	5,937	-	5,937
Total Spring Hill Middle School	4,381	-	16,065	20,015	431	-	431
Woodland Spring Middle School							
Yearbook	[906]	-	4,105	433	2,766	-	2,766
Concessions	11,444	-	7,160	7,548	11,056	-	11,056
Total Woodland Spring Middle School	10,538	-	11,265	7,981	13,822	-	13,822
Spring Hill High School							
Concessions	18,447	-	42,933	29,102	32,278	-	32,278
Total Spring Hill High School	18,447	-	42,933	29,102	32,278	-	32,278
Total School Projects	45,166	-	73,047	59,328	58,885	-	58,885
Total District Activity Funds	\$ 196,881	\$ -	\$ 426,751	\$ 351,562	\$ 272,070	\$ -	\$ 272,070

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Special Education (IDEA) Cluster					
Special Education Grants to States	84.027	\$ -	\$ 1,136,383	\$ 1,136,383	\$ -
Special Education - Preschool Grants	84.173	-	34,080	34,080	-
Total Special Education (IDEA) Cluster			1,170,463	1,170,463	
Title I Grants to Local Educational Agencies	84.010	-	128,919	128,919	-
Career and Technical Education	84.048	-	10,000	10,000	-
Improving Teacher Quality State Grants	84.367	-	32,764	32,764	-
Student Support and Academic Enrichment Program	84.424	-	16,195	16,195	-
Education Stabilization Fund Under CARES Act	84.425	[423,695]	828,956	909,060	[503,799]
Total U.S. Department of Education			2,187,297	2,267,401	
<u>U.S. Department of Health and Human Services</u>					
Passed Through State Department of Education:					
Cooperative Agreements to Promote Adolescent Health	93.079	-	267	267	-
Total U.S. Department of Health and Human Services			267	267	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster					
School Breakfast Program	10.553	-	397,079	397,079	
National School Lunch Program	10.555	-	2,071,063	2,071,063	-
Special Milk Program for Children	10.556	-	1,726	1,726	-
Summer Food Service Program for Children	10.559	-	286,071	286,071	-
Total Child Nutrition Cluster			2,755,939	2,755,939	
State Pandemic EBT Administrative Costs Grant	10.649		614	614	
Total U.S. Department of Agriculture			2,756,553	2,756,553	
Total Expenditures of Federal Awards			\$ 4,944,117	\$ 5,024,221	

UNIFIED SCHOOL DISTRICT NO. 230

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. Organization

Unified School District No. 230, Spring Hill, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the Kansas regulatory basis of accounting, which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position as of June 30, 2022.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2022.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 230
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified - Regulatory Basis
Adverse - GAAP

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) 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 weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? Yes X No

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

Board of Education
Unified School District No. 230
Spring Hill, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 230 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2022.

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) as a basis for designing 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 controls 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 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 over financial reporting 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 financial reporting 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 or significant deficiencies 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 4, 2022

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

Board of Education
Unified School District No. 230
Spring Hill, Kansas

Opinion on Each Major Federal Program

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 230, Spring Hill, Kansas (the District), with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grants agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies, and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on 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 the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 District as of and for the year ended June 30, 2022, and have issued our report thereon dated November 4, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 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. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 4, 2022