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Certified Public Accountants

UNIFIED SCHOOL DISTRICT NO. 380

VERMILLION, KANSAS

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENT
FOR FISCAL YEAR ENDED JUNE 30, 2022

Prepared By
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UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 380
Vermillion, Kansas 66544

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. 380, Vermillion, Kansas (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 Unified School District No. 380, Vermillion, Kansas, as of June 30, 2022, or the 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 C.

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 *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 C 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 C; 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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, 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, schedule of regulatory basis receipts and disbursements - agency funds, and schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds (Schedules 1,2,3,and 4 as listed in the table of contents) are presented for purposes of additional 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*. 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 C.

Our audit was conducted for the purpose of forming an opinion on the financial statement of Unified School District No. 380, Vermillion, Kansas. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note1 C.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2022, on our consideration of the Unified School District No. 380, Vermillion, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's 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 Unified School District No. 380, Vermillion, Kansas' internal control over financial reporting and compliance.

Kickhaefer & Buessing, P.A.
Marysville, Kansas
November 14, 2022

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

FINANCIAL INFORMATION

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

STATEMENT 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FUNDS	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GENERAL FUNDS:							
GENERAL	$ 0.61	$ 0.00	$ 4,746,700.63	$ 4,746,700.34	$ 0.90	$ 24,133.13	$ 24,134.03
SUPPLEMENTAL GENERAL	109,678.82	0.00	1,461,892.83	1,466,253.25	105,318.40	87,000.90	192,319.30
SPECIAL PURPOSE FUNDS:							
PARENTS EDUCATION	19,123.98	0.00	47,198.00	43,213.38	23,108.60	7,744.99	30,853.59
CAPITAL OUTLAY	648,504.18	0.00	476,325.38	545,901.69	578,927.87	196,305.85	775,233.72
DRIVER TRAINING	51,287.29	0.00	14,152.00	11,066.98	54,372.31	609.13	54,981.44
AT RISK (K-12)	74,898.92	0.00	317,162.00	313,435.80	78,625.12	5,614.40	84,239.52
FOOD SERVICE	5,404.74	0.00	536,431.37	432,995.33	108,840.78	0.00	108,840.78
PROFESSIONAL DEVELOPMENT	38,988.48	0.00	25,000.00	24,677.25	39,311.23	0.00	39,311.23
PRESCHOOL AGED AT-RISK	80,917.75	0.00	130,000.00	129,757.89	81,159.86	875.58	82,035.44
SPECIAL EDUCATION	201,921.12	0.00	547,535.17	546,618.84	202,837.45	1,123.79	203,961.24
BILINGUAL EDUCATION	833.00	0.00	291.00	0.00	1,124.00	0.00	1,124.00
CAREER AND POSTSECONDARY EDUCATION	48,640.73	0.00	380,348.40	380,600.33	48,388.80	1,061.96	49,450.76
KPERS SPECIAL RETIREMENT CONTRIBUTION	0.00	0.00	520,183.01	520,183.01	0.00	0.00	0.00
TEXTBOOK RENTAL	88,788.19	0.00	51,985.00	25,943.98	114,829.21	10,600.13	125,429.34
SUMMER SCHOOL	17,022.80	0.00	0.00	0.00	17,022.80	0.00	17,022.80
TITLE IV - A	0.00	0.00	13,015.00	13,015.00	0.00	0.00	0.00
SMALL RURAL SCHOOL FY22	0.00	0.00	41,105.00	41,105.00	0.00	0.00	0.00
SMALL RURAL SCHOOL FY21	287.64	0.00	0.00	287.64	0.00	0.00	0.00
TITLE I - FY22	0.00	0.00	61,832.00	61,832.00	0.00	142.84	142.84
TITLE II - A FY22	0.00	0.00	10,799.00	10,799.00	0.00	0.00	0.00
CARL PERKINS	0.00	0.00	4,724.19	4,724.19	0.00	0.00	0.00
ESSER II	(23,917.06)	0.00	158,447.00	158,264.12	(23,734.18)	0.00	(23,734.18)
STAY POSITIVE TEST NEGATIVE	0.00	0.00	0.00	523.00	(523.00)	0.00	(523.00)
GIFTS AND GRANTS	(3,834.80)	0.00	70,095.30	68,282.92	(2,022.42)	0.00	(2,022.42)
CONTINGENCY RESERVE	421,107.22	0.00	245,373.75	48.36	666,432.61	0.00	666,432.61
CENTRALIA WIND FARM	184,992.53	0.00	150,000.00	3,902.00	331,090.53	0.00	331,090.53
CENTRALIA WOOLSONCROFT	0.00	0.00	653,218.27	0.00	653,218.27	0.00	653,218.27
GATE RECEIPTS FUNDS	39,750.94	0.00	131,741.35	125,201.57	46,290.72	0.00	46,290.72
SCHOOL PROJECT FUNDS	135,308.03	0.00	130,450.54	172,409.79	93,348.78	0.00	93,348.78
TOTAL REPORTING ENTITY (Excluding Agency Funds)	$ 2,139,705.11	$ 0.00	$ 10,926,006.19	$ 9,847,742.66	$ 3,217,968.64	$ 335,212.70	$ 3,553,181.34

COMPOSITION OF CASH:

CHECKING ACCOUNTS - FHB CENTRALIA	$ 1,058,205.70
TREASURY INDEX - FHB CENTRALIA	1,450,321.99
CHECKING ACCOUNT - FNB FRANKFORT	117,819.96
CERTIFICATES OF DEPOSIT FHB & FNB	1,019,367.00
TOTAL CASH	3,645,714.65
AGENCY FUNDS PER SCHEDULE 3	(92,533.31)
TOTAL REPORTING ENTITY (excluding Agency Funds)	$ 3,553,181.34

The Notes to the Financial Statement are an integral part of this Statement.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Municipal Financial Reporting Entity

Unified School District No. 380 is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District No. 380 (the District) and does not include any related municipal entities.

B. Regulatory Basis Fund Types

The following regulatory basis fund types comprise the financial activities of the District for the fiscal year 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 specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

C. 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.

D. Reimbursements

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

E. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E. Budgetary Information (cont.)

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 rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.The District published the budget on September 2nd and held the Revenue Neutral Tax Rate hearing with budget approval on September 13th, 2021. The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this fiscal year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for capital projects funds, agency funds, and the following special purpose funds: Textbook Rental, Contingency Reserve, and all federal programs and grant funds.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance-Related Legal and Contractual Provisions

The District has several reimbursable federal programs. Exemption from the Kansas cash basis law K.S.A. 10-1113 is allowed for Federal programs under K.S.A. 12-1664. Reimbursements to cover the negative balances were received in FYE23 for the ESSER II Fund, Stay Positive Test Negative Fund, and TANF in Gifts and Grants Fund. The expenditures for Community Facilities Grant are in Capital Outlay which will be reimbursed in FY23.

The District did not have the required public works bond filed with the State of Kansas and on file with the Clerk of the District Court for the contract with Mammoth for the Frankfort track improvements. This is a violation of Kansas Statute 60-1111.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont.)

Compliance with Finance-Related Legal and Contractual Provisions (cont.)

The District Office Activity Fund was not reconciled correctly to the bank statements for all of FYE22. This is a violation of Kansas Statute 72-1178.

The District spent $21,243.99 over the authorized amount allowed for Food Service Fund budget of $411,650.00 plus reimbursements of $101.34. K.S.A. 72-5537 allows the District to spend funds in excess of the budgeted amount if it is due to an increase in federal funds. There was an increase in federal funds due to all students eating free for FYE22.

3. DEPOSITS AND INVESTMENTS

As of June 30, 2022, the District had no investments (including repurchase agreements).

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 more than FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer if the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

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%. All deposits were legally secured as of June 30, 2022.

As of June 30, 2022, the carrying amount of the District's deposits, including certificates of deposit, was $3,645,714.65 and the bank balance was $3,945,221.91. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $507,252.41 was covered by federal depository insurance and $3,437,969.50 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 secure.

4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $238,405.00 after June 30, 2022 and, as required by K.S.A. 72-5135 and 72-5145, the receipt was recorded as in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

5. LONG-TERM DEBT

The District has no long-term liabilities for the year ended June 30, 2022.

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Special Education	K.S.A. 72-5167	386,797.00
General Fund	Preschool Aged At-Risk	K.S.A. 72-5167	15,000.00
General Fund	At Risk (K-12)	K.S.A. 72-5167	202,829.00
General Fund	Contingency Reserve	K.S.A. 72-5167	245,373.75
Supplemental General	Bilingual Education	K.S.A. 72-5143	291.00
Supplemental General	Driver Education	K.S.A. 72-5143	5,000.00
Supplemental General	Food Service	K.S.A. 72-5143	6,000.00
Supplemental General	Professional Development	K.S.A. 72-5143	25,000.00
Supplemental General	Parents Education	K.S.A. 72-5143	20,000.00
Supplemental General	Special Education	K.S.A. 72-5143	150,000.00
Supplemental General	Career & Postsecondary Education	K.S.A. 72-5143	380,000.00
Supplemental General	Preschool Aged At-Risk	K.S.A. 72-5143	115,000.00
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	114,333.00

7. DEFINED BENEFIT PENSION PLAN

General Information about the 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 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.

7. DEFINED BENEFIT PENSION PLAN (cont.)

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 District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $520.183.01 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 $3,955,807. 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 this financial statement.

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

8. 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.

Termination Benefits. The District provides an early retirement program for eligible certified staff after a minimum 15 years of employment. The annual lump sum payment may be made in January following the retirement school year with the age and years-of-service eligibility determined by the Superintendent and Clerk of the Board from official district records.

Age	$ Amount Stipend of Base Salary	Number of Years Paid
60	11.25%	5
61	12.25%	4
62	13.25%	3
63	14.25%	2
64	15.25%	1

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (cont.)

There were payments made under this plan totaling $7,734.00 during the year ended June 30, 2022.

Fringe Benefits. The District's Board of Education will apply the cost of a single membership up to $600 per month in the 2021-2022 school year on the premium for the School Sponsored Health Insurance Plan.

The Board of Education will apply up to $5.45 per month on the premium for a $15,000 term life and accidental death and dismemberment insurance policy through the School Sponsored Health Insurance Carrier.

Section 125 Salary Reduction – Each teacher will be allowed to purchase benefits in the amount up to $1,000 per month for each full time or part time teacher for the contract year. The teacher will select from health insurance, salary protection insurance, cancer insurance, and group term life. There will also be a reimbursement program to enable tax free dollars to be used for dependent care and medical reimbursement. The teacher will receive the difference between the total benefit available and the total amount of non-taxable benefits in cash that will be subject to Income and FICA taxes.

Compensated Absences. Each teacher shall be granted three days of personal leave during the school year with the option to carry over a total of five days to the following school year. Personal leave days shall be at full pay and shall be in addition to sick leave. Teachers will be paid substitute teachers pay for each day of personal leave that is not used and is not carried over.

Each teacher may also receive up to four total school days for the purpose of attending educational conferences or school visitations. The teacher will be limited to $300.00 per year for registration expenses and to $100.00 per day maximum for expenses of meals and lodging.

Each teacher shall receive 12 days of sick leave each school year cumulative to a total of 100 days with full pay to be credited at the beginning of each school year. Teachers who do not use any sick leave during the 2021-2022 contract shall be paid $150 with their June payroll check. The $150 will be reduced by $50 for each day used up to three days. A teacher after employment with the district for a period of 4 years will receive $25.00 per day for each day of up to 90 days of accumulated sick leave upon retirement, resignation, or death.

The district clerk and other 12-month employees are allowed 12 days of vacation per year, 12 days' sick leave and six holidays. The principals also receive 12 days' sick leave accumulative to 90 days and three days of personal leave per year. The superintendent is allowed 12 days' sick leave accumulative to 90 days, and 15 days of vacation.

Liability for compensated absences is not reflected in the financial statement.

9. RELATED PARTY TRANSACTIONS

The related parties in a governmental entity include board members, administrative officials, and immediate families of board members and administrative officials. Required disclosures on related party transactions do not include compensation arrangements, expense allowance and similar items incurred in the ordinary course of operations. The following is required for disclosure:

	Amount
First National Bank – Frankfort (cash balance as of June 30, 2022)	$ 831,450.13
Board member is an employee	
Evergy – Board member is an employee	47,284.21

10. CAPITAL PROJECTS

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

Projects	Project Authorization	Expenditures to Date
Remodel Classrooms	$145,021.00	$144,289.65
Frankfort Boiler & Heater System	255,078.00	158,374.00
Frankfort Track Repair	239,846.00	234,846.00

11. SUBSEQUENT EVENTS

Over the last couple years, the Coronavirus (COVID-19) outbreak in the United States has resulted in the temporary closure of schools. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the District as of the date of this report, management believes that a material impact on the District's financial position and results of future operations is reasonably possible. The District was awarded $213,147.00 for ESSER II, and $478,698.00 for ESSER III. The District has spent $182,181.18 of ESSER II as of June 30, 2022. The funding is in the form of a grant which spans 3 fiscal school years to spend it.

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

12. COMMITMENTS AND CONTINGENCIES

Litigation. As of the audit date, there are no pending or threatened litigation claims involving the district.

Grant program involvement. The District participates in several federally assisted grant programs. These programs are subject to program compliance audits by granters or their representatives for audit of these programs for or including the year ending June 30, 2022. These compliance audits have not been conducted as of November 14, 2022. Accordingly, the District's compliance with applicable grant agreements will be established at some future date. The total expenditures, which may be disallowed by the grantor agencies, cannot be determined now, although the District expects such amounts, if any, to be immaterial.

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UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FUNDS	CERTIFIED BUDGET	ADJUSTMENT TO COMPLY WITH LEGAL MAX	ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	TOTAL BUDGET FOR COMPARISON	EXPENDITURES CHARGEABLE TO CURRENT YEAR	VARIANCE - OVER (UNDER)
GENERAL FUNDS:						
GENERAL	$ 4,747,883.00	$ (52,707.00)	$ 51,524.34	$ 4,746,700.34	$ 4,746,700.34	$ 0.00
SUPPLEMENTAL GENERAL	1,471,795.00	(16,302.00)	10,760.25	1,466,253.25	1,466,253.25	0.00
SPECIAL PURPOSE FUNDS:						
PARENT EDUCATION	47,250.00	0.00	0.00	47,250.00	43,213.38	(4,036.62)
CAPITAL OUTLAY	1,000,000.00	0.00	0.00	1,000,000.00	545,901.69	(454,098.31)
DRIVER TRAINING	29,125.00	0.00	0.00	29,125.00	11,066.98	(18,058.02)
AT RISK (K-12)	336,430.00	0.00	0.00	336,430.00	313,435.80	(22,994.20)
FOOD SERVICE	411,650.00	0.00	101.34	411,751.34	432,995.33	21,243.99
PROFESSIONAL DEVELOPMENT	34,000.00	0.00	0.00	34,000.00	24,677.25	(9,322.75)
PRESCHOOL AGED AT-RISK	140,400.00	0.00	0.00	140,400.00	129,757.89	(10,642.11)
BILINGUAL EDUCATION	833.00	0.00	0.00	833.00	0.00	(833.00)
SPECIAL EDUCATION	751,677.00	0.00	524.47	752,201.47	546,618.84	(205,582.63)
CAREER AND POSTSECONDARY EDUCATION	392,000.00	0.00	0.00	392,000.00	380,600.33	(11,399.67)
KPERS SPECIAL RETIREMENT CONTRIBUTION	582,828.00	0.00	0.00	582,828.00	520,183.01	(62,644.99)
SUMMER SCHOOL	8,931.00	0.00	0.00	8,931.00	0.00	(8,931.00)

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UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE SOURCES--			
GENERAL STATE AID	$ 4,307,732.00	$ 4,297,205.00	$ 10,527.00
SPECIAL EDUCATION	386,797.00	450,678.00	(63,881.00)
MINERAL PRODUCTION TAX	647.29	0.00	647.29
TOTAL STATE SOURCES	4,695,176.29	4,747,883.00	(52,706.71)
REIMBURSEMENTS	51,524.34	0.00	51,524.34
TOTAL CASH RECEIPTS	4,746,700.63	$ 4,747,883.00	$ (1,182.37)
EXPENDITURES			
INSTRUCTION	2,125,491.34	$ 2,179,100.00	$ (53,608.66)
SUPPORT SERVICES:			
STUDENT SUPPORT SERVICES	236,222.33	251,000.00	(14,777.67)
INSTRUCTIONAL SUPPORT STAFF	1,527.09	0.00	1,527.09
GENERAL ADMINISTRATION	216,226.31	226,150.00	(9,923.69)
SCHOOL ADMINISTRATION	297,054.73	285,000.00	12,054.73
CENTRAL SERVICES	53,702.80	53,401.00	301.80
OPERATIONS & MAINTENANCE	636,730.96	603,250.00	33,480.96
STUDENT TRANSPORTATION SERVICES	8,035.60	45,771.00	(37,735.40)
VEHICLE OPERATING SERVICES	285,807.40	284,500.00	1,307.40
VEHICLE SERVICES & MAINTENANCE SERVICES	35,902.03	52,500.00	(16,597.97)
TRANSFERS:			
SPECIAL EDUCATION	386,797.00	450,678.00	(63,881.00)
CAREER AND POSTSECONDARY EDUCATION	0.00	50,000.00	(50,000.00)
CONTINGENCY RESERVE	245,373.75	0.00	245,373.75
PRESCHOOL AGED AT-RISK	15,000.00	16,174.00	(1,174.00)
AT RISK (K-12)	202,829.00	250,359.00	(47,530.00)
ADJUSTMENT TO COMPLY WITH LEGAL MAX	0.00	(52,707.00)	52,707.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	51,524.34	(51,524.34)
TOTAL EXPENDITURES	4,746,700.34	$ 4,746,700.34	$ 0.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	0.29		
UNENCUMBERED CASH, JULY 1, 2021	0.61		
UNENCUMBERED CASH, JUNE 30, 2022	$ 0.90		

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
AD VALOREM PROPERTY TAXES -2020	$ 30,974.13	$ 38,972.00	$ (7,997.87)
AD VALOREM PROPERTY TAXES -2021	919,268.97	834,797.00	84,471.97
DELINQUENT PROPERTY TAX	3,646.57	0.00	3,646.57
MOTOR VEHICLE TAX	73,791.00	63,782.00	10,009.00
RECREATIONAL VEHICLE TAX	1,401.13	1,147.00	254.13
COMMERCIAL VEHICLE TAX	8,981.78	5,723.00	3,258.78
SUPPLEMENTAL GENERAL STATE AID	413,069.00	417,695.00	(4,626.00)
REIMBURSEMENTS	10,760.25	0.00	10,760.25
TOTAL CASH RECEIPTS	1,461,892.83	$ 1,362,116.00	$ 99,776.83
EXPENDITURES			
INSTRUCTION	390,939.98	$ 386,675.00	$ 4,264.98
SUPPORT SERVICES:			
STUDENT SUPPORT SERVICES	350.00	0.00	350.00
INSTRUCTIONAL SUPPORT STAFF	180,440.24	180,700.00	(259.76)
GENERAL ADMINISTRATION	18,647.77	70,751.00	(52,103.23)
SCHOOL ADMINISTRATION	49,181.17	44,232.00	4,949.17
OPERATIONS & MAINTENANCE	11,070.09	20,000.00	(8,929.91)
STUDENT TRANSPORTATION SERVICES	0.00	44,437.00	(44,437.00)
TRANSFERS:			
BILINGUAL EDUCATION	291.00	0.00	291.00
DRIVER EDUCATION	5,000.00	10,000.00	(5,000.00)
FOOD SERVICE	6,000.00	20,000.00	(14,000.00)
PROFESSIONAL DEVELOPMENT	25,000.00	20,000.00	5,000.00
PARENT EDUCATION PROGRAM	20,000.00	20,000.00	0.00
SPECIAL EDUCATION	150,000.00	150,000.00	0.00
CAREER AND POSTSECONDARY EDUCATION	380,000.00	315,000.00	65,000.00
PRESCHOOL AGED AT-RISK	115,000.00	100,000.00	15,000.00
AT RISK (K-12)	114,333.00	90,000.00	24,333.00
ADJUSTMENT TO COMPLY WITH LEGAL MAX	0.00	(16,302.00)	16,302.00
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	10,760.25	(10,760.25)
TOTAL EXPENDITURES	1,466,253.25	$ 1,466,253.25	$ 0.00
RECEIPTS OVER (UNDER) EXPENDITURES	(4,360.42)		
UNENCUMBERED CASH, JULY 1, 2021	109,678.82		
UNENCUMBERED CASH, JUNE 30, 2022	$ 105,318.40		

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE OF KANSAS	$ 27,198.00	$ 27,198.00	$ 0.00
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	20,000.00	20,000.00	0.00
TOTAL CASH RECEIPTS	47,198.00	$ 47,198.00	$ 0.00
EXPENDITURES			
STUDENT SUPPORT SERVICES	43,213.38	$ 45,450.00	$ (2,236.62)
INSTRUCTIONAL SUPPORT STAFF	0.00	1,800.00	(1,800.00)
TOTAL EXPENDITURES	43,213.38	$ 47,250.00	$ (4,036.62)
RECEIPTS OVER (UNDER) EXPENDITURES	3,984.62		
UNENCUMBERED CASH, JULY 1, 2021	19,123.98		
UNENCUMBERED CASH, JUNE 30, 2022	$ 23,108.60		

CAPITAL OUTLAY FUND

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
AD VALOREM PROPERTY TAXES -2020	$ 13,889.36	$ 17,861.00	$ (3,971.64)
AD VALOREM PROPERTY TAXES -2021	340,621.00	315,513.00	25,108.00
DELINQUENT PROPERTY TAX	1,759.71	0.00	1,759.71
MOTOR VEHICLE TAX	37,367.19	31,791.00	5,576.19
RECREATIONAL VEHICLE TAX	701.35	572.00	129.35
COMMERCIAL VEHICLE TAX	4,073.54	2,853.00	1,220.54
CAPITAL OUTLAY STATE AID	28,271.00	28,361.00	(90.00)
INTEREST ON IDLE FUNDS	7,039.29	0.00	7,039.29
OTHER REVENUE	42,602.94	243,000.00	(200,397.06)
TOTAL CASH RECEIPTS	476,325.38	$ 639,951.00	$ (163,625.62)
EXPENDITURES			
INSTRUCTION	48,522.01	$ 180,000.00	$ (131,477.99)
SUPPORT SERVICES:			
SCHOOL ADMINISTRATION	7,438.36	0.00	7,438.36
OPERATIONS & MAINTENANCE	111,847.24	225,000.00	(113,152.76)
TRANSPORTATION	83,699.00	180,000.00	(96,301.00)
FACILITY ACQUISITION & CONSTRUCTION SERVICES:			
ARCHITECTURAL & ENGINEERING SERVICES	30,940.00	15,000.00	15,940.00
SITE IMPROVEMENT	0.00	25,000.00	(25,000.00)
BUILDING IMPROVEMENTS	263,455.08	375,000.00	(111,544.92)
TOTAL EXPENDITURES	545,901.69	$ 1,000,000.00	$ (454,098.31)
RECEIPTS OVER (UNDER) EXPENDITURES	(69,576.31)		
UNENCUMBERED CASH, JULY 1, 2021	648,504.18		
UNENCUMBERED CASH, JUNE 30, 2022	$ 578,927.87		

DRIVER EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE OF KANSAS	$ 5,124.00	$ 5,520.00	$ (396.00)
OTHER LOCAL REVENUE	4,028.00	6,000.00	(1,972.00)
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	5,000.00	10,000.00	(5,000.00)
TOTAL CASH RECEIPTS	14,152.00	$ 21,520.00	$ (7,368.00)
EXPENDITURES			
INSTRUCTION	11,066.98	$ 19,125.00	$ (8,058.02)
VEHICLE OPERATIONS, MAINTENANCE SERVICES	0.00	10,000.00	(10,000.00)
TOTAL EXPENDITURES	11,066.98	$ 29,125.00	$ (18,058.02)
RECEIPTS OVER (UNDER) EXPENDITURES	3,085.02		
UNENCUMBERED CASH, JULY 1, 2021	51,287.29		
UNENCUMBERED CASH, JUNE 30, 2022	$ 54,372.31		

AT RISK (K-12) FUND

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TRANSFER FROM GENERAL	$ 202,829.00	$ 250,359.00	$ (47,530.00)
TRANSFER FROM SUPPLEMENTAL GENERAL	114,333.00	90,000.00	24,333.00
TOTAL CASH RECEIPTS	317,162.00	$ 340,359.00	$ (23,197.00)
EXPENDITURES			
INSTRUCTION	267,564.32	$ 290,130.00	$ (22,565.68)
STUDENT SUPPORT SERVICES	45,871.48	46,300.00	(428.52)
TOTAL EXPENDITURES	313,435.80	$ 336,430.00	$ (22,994.20)
RECEIPTS OVER (UNDER) EXPENDITURES	3,726.20		
UNENCUMBERED CASH, JULY 1, 2021	74,898.92		
UNENCUMBERED CASH, JUNE 30, 2022	$ 78,625.12		

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS				
STATE OF KANSAS	- FEDERAL AID	$ 504,293.26	$ 405,806.00	$ 98,487.26
	- STATE AID	3,516.00	3,200.00	316.00
MEALS		22,520.77	12,750.00	9,770.77
TRANSFER FROM SUPPLEMENTAL GENERAL FUND		6,000.00	20,000.00	(14,000.00)
REIMBURSEMENTS		101.34	1,000.00	(898.66)
TOTAL CASH RECEIPTS		536,431.37	$ 442,756.00	$ 93,675.37
EXPENDITURES				
OPERATIONS & MAINTENANCE		0.00	$ 35,650.00	$ (35,650.00)
FOOD SERVICE OPERATION		432,995.33	376,000.00	56,995.33
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS		0.00	101.34	(101.34)
FOOD SERVICE OPERATION		432,995.33	$ 411,751.34	$ 21,243.99
RECEIPTS OVER (UNDER) EXPENDITURES		103,436.04		
UNENCUMBERED CASH, JULY 1, 2021		5,404.74		
UNENCUMBERED CASH, JUNE 30, 2022		$ 108,840.78		

PROFESSIONAL DEVELOPMENT FUND

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	$ 25,000.00	$ 20,000.00	$ 5,000.00
EXPENDITURES			
INSTRUCTIONAL SUPPORT STAFF	24,636.30	$ 29,000.00	$ (4,363.70)
CENTRAL SERVICES	40.95	2,000.00	(1,959.05)
OTHER SUPPORT SERVICES	0.00	3,000.00	(3,000.00)
TOTAL EXPENDITURES	24,677.25	$ 34,000.00	$ (9,322.75)
RECEIPTS OVER (UNDER) EXPENDITURES	322.75		
UNENCUMBERED CASH, JULY 1, 2021	38,988.48		
UNENCUMBERED CASH, JUNE 30, 2022	$ 39,311.23		

PRESCHOOL AGED AT-RISK
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TRANSFER FROM GENERAL FUND	$ 15,000.00	$ 16,174.00	$ (1,174.00)
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	115,000.00	100,000.00	15,000.00
TOTAL CASH RECEIPTS	130,000.00	$ 116,174.00	$ 13,826.00
EXPENDITURES			
INSTRUCTION	113,003.04	$ 123,400.00	$ (10,396.96)
SUPPORT SERVICES:			
STUDENT TRANSPORTATION SERVICES	16,754.85	17,000.00	(245.15)
TOTAL EXPENDITURES	129,757.89	$ 140,400.00	$ (10,642.11)
RECEIPTS OVER (UNDER) EXPENDITURES	242.11		
UNENCUMBERED CASH, JULY 1, 2021	80,917.75		
UNENCUMBERED CASH, JUNE 30, 2022	$ 81,159.86		

SPECIAL EDUCATION FUND

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE OF KANSAS - FEDERAL AID	$ 10,213.70	$ 0.00	$ 10,213.70
TRANSFER FROM GENERAL FUND	386,797.00	450,678.00	(63,881.00)
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	150,000.00	150,000.00	0.00
REIMBURSEMENTS	524.47	0.00	524.47
TOTAL CASH RECEIPTS	547,535.17	$ 600,678.00	$ (53,142.83)
EXPENDITURES			
INSTRUCTION	541,880.38	$ 743,677.00	$ (201,796.62)
SUPPORT SERVICES:			
VEHICLE OPERATING SERVICES	4,460.99	8,000.00	(3,539.01)
VEHICLE SERVICES & MAINTENANCE SERVICES	277.47	0.00	277.47
ADJUSTMENT FOR QUALIFYING BUDGET CREDITS	0.00	524.47	(524.47)
TOTAL EXPENDITURES	546,618.84	$ 752,201.47	$ (205,582.63)
RECEIPTS OVER (UNDER) EXPENDITURES	916.33		
UNENCUMBERED CASH, JULY 1, 2021	201,921.12		
UNENCUMBERED CASH, JUNE 30, 2022	$ 202,837.45		

BILINGUAL EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	$ 291.00	$ 0.00	$ 0.00
EXPENDITURES			
INSTRUCTION	0.00	$ 833.00	$ (833.00)
RECEIPTS OVER (UNDER) EXPENDITURES	291.00		
UNENCUMBERED CASH, JULY 1, 2021	833.00		
UNENCUMBERED CASH, JUNE 30, 2022	$ 1,124.00		

CAREER AND POSTSECONDARY EDUCATION FUND

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
FEDERAL AID	$ 0.00	$ 2,500.00	$ (2,500.00)
TRANSFER FROM GENERAL FUND	0.00	50,000.00	(50,000.00)
TRANSFER FROM SUPPLEMENTAL GENERAL FUND	380,000.00	315,000.00	65,000.00
OTHER LOCAL REVENUE	348.40	0.00	348.40
TOTAL CASH RECEIPTS	380,348.40	$ 367,500.00	$ 12,848.40
EXPENDITURES			
INSTRUCTION	375,654.86	$ 386,500.00	$ (10,845.14)
SUPPORT SERVICES:			
STUDENT TRANSPORTATION SERVICES	4,945.47	5,500.00	(554.53)
TOTAL EXPENDITURES	380,600.33	$ 392,000.00	$ (11,399.67)
RECEIPTS OVER (UNDER) EXPENDITURES	(251.93)		
UNENCUMBERED CASH, JULY 1, 2021	48,640.73		
UNENCUMBERED CASH, JUNE 30, 2022	$ 48,388.80		

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SUMMER SCHOOL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
REIMBURSEMENTS	$ 0.00	$ 0.00	$ 0.00
EXPENDITURES			
INSTRUCTION	0.00	$ 7,930.00	$ (7,930.00)
OTHER SUPPORT SERVICES	0.00	1,001.00	(1,001.00)
TOTAL EXPENDITURES	0.00	$ 8,931.00	$ (8,931.00)
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2021	17,022.80		
UNENCUMBERED CASH, JUNE 30, 2022	$ 17,022.80		

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	21-22 ACTUAL	21-22 BUDGET	VARIANCE - OVER (UNDER)
CASH RECEIPTS			
STATE OF KANSAS	$ 520,183.01	$ 582,828.00	$ (62,644.99)
EXPENDITURES			
SUPPORT SERVICES:			
INSTRUCTION	319,523.90	$ 369,514.00	$ (49,990.10)
STUDENT SUPPORT	44,551.70	45,460.00	(908.30)
INSTRUCTIONAL SUPPORT	18,858.56	23,313.00	(4,454.44)
GENERAL ADMINISTRATION	24,424.62	28,559.00	(4,134.38)
SCHOOL ADMINISTRATION	38,293.59	37,301.00	992.59
CENTRAL SERVICES	6,354.47	6,994.00	(639.53)
OPERATIONS & MAINTENANCE	39,655.08	40,798.00	(1,142.92)
STUDENT TRANSPORTATION SERVICES	24,852.52	25,644.00	(791.48)
OTHER SUPPORT SERVICES	27.28	0.00	27.28
FOOD SERVICE	3,641.29	5,245.00	(1,603.71)
TOTAL EXPENDITURES	520,183.01	$ 582,828.00	$ (62,644.99)
RECEIPTS OVER (UNDER) EXPENDITURES	0.00		
UNENCUMBERED CASH, JULY 1, 2021	0.00		
UNENCUMBERED CASH, JUNE 30, 2022	$ 0.00		

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	TEXTBOOK & STUDENT MATERIAL REVOLVING	CARL PERKINS
CASH RECEIPTS		
MISCELLANEOUS FEES & REIMBURSEMENTS	$ 51,985.00	$ 4,724.19
EXPENDITURES		
INSTRUCTION	25,943.98	4,724.19
RECEIPTS OVER (UNDER) EXPENDITURES	26,041.02	0.00
UNENCUMBERED CASH, JULY 1, 2021	88,788.19	0.00
UNENCUMBERED CASH, JUNE 30, 2022	$ 114,829.21	$ 0.00

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	TITLE IV - A	SMALL RURAL SCHOOL - FY22	SMALL RURAL SCHOOL - FY21
CASH RECEIPTS			
U.S. DEPT. OF EDUCATION	$ 0.00	$ 41,105.00	$ 0.00
STATE OF KANSAS	13,015.00	0.00	0.00
TOTAL CASH RECEIPTS	13,015.00	41,105.00	0.00
EXPENDITURES			
INSTRUCTION	0.00	41,105.00	287.64
SUPPORT SERVICES:			
STUDENT SUPPORT SERVICES	13,015.00	0.00	0.00
TOTAL EXPENDITURES	13,015.00	41,105.00	287.64
RECEIPTS OVER (UNDER) EXPENDITURES	0.00	0.00	(287.64)
UNENCUMBERED CASH, JULY 1, 2021	0.00	0.00	287.64
UNENCUMBERED CASH, JUNE 30, 2022	$ 0.00	$ 0.00	$ 0.00

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	TITLE I - FY22	TITLE II - A FY22
CASH RECEIPTS		
STATE OF KANSAS	$ 61,832.00	$ 10,799.00
REIMBURSEMENTS	0.00	0.00
TOTAL RECEIPTS	61,832.00	10,799.00
EXPENDITURES		
INSTRUCTION	61,832.00	10,799.00
RECEIPTS OVER (UNDER) EXPENDITURES	0.00	0.00
UNENCUMBERED CASH, JULY 1, 2021	0.00	0.00
UNENCUMBERED CASH, JUNE 30, 2022	$ 0.00	$ 0.00

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	STAY POSITIVE TEST NEGATIVE	CONTINGENCY RESERVE FUND	GIFTS AND GRANTS
CASH RECEIPTS			
GIFTS & DONATIONS	$ 0.00	$ 0.00	$ 20,363.30
FEDERAL GRANTS	0.00	0.00	21,408.00
STATE OF KANSAS	0.00	0.00	28,324.00
TRANSFER FROM GENERAL FUND	0.00	245,373.75	0.00
TOTAL CASH RECEIPTS	0.00	245,373.75	70,095.30
EXPENDITURES			
INSTRUCTION	180.00	0.00	68,282.92
SUPPORT SERVICES:			
STUDENT SUPPORT SERVICES	243.00	0.00	0.00
SCHOOL ADMINISTRATION	0.00	48.36	0.00
OPERATIONS & MAINTENANCE	100.00	0.00	0.00
TOTAL EXPENDITURES	523.00	48.36	68,282.92
RECEIPTS OVER (UNDER) EXPENDITURES	(523.00)	245,325.39	1,812.38
UNENCUMBERED CASH, JULY 1, 2021	0.00	421,107.22	(3,834.80)
UNENCUMBERED CASH, JUNE 30, 2022	$ (523.00)	$ 666,432.61	$ (2,022.42)

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CENTRALIA SCHOOL WIND FARM	CENTRALIA SCHOOL WOOLSONCROFT	ESSER II GRANTS
CASH RECEIPTS			
GIFTS & DONATIONS	$ 150,000.00	$ 653,218.27	$ 0.00
FEDERAL GRANTS	0.00	0.00	158,447.00
TOTAL CASH RECEIPTS	150,000.00	653,218.27	158,447.00
EXPENDITURES			
INSTRUCTION	3,902.00	0.00	79,526.21
SUPPORT SERVICES:			
STUDENT SUPPORT SERVICES	0.00	0.00	47,254.77
INSTRUCTIONAL SUPPORT STAFF	0.00	0.00	30,874.74
OTHER SUPPORT SERVICES	0.00	0.00	608.40
TOTAL EXPENDITURES	3,902.00	0.00	158,264.12
RECEIPTS OVER (UNDER) EXPENDITURES	146,098.00	653,218.27	182.88
UNENCUMBERED CASH, JULY 1, 2021	184,992.53	0.00	(23,917.06)
UNENCUMBERED CASH, JUNE 30, 2022	$ 331,090.53	$ 653,218.27	$ (23,734.18)

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FUNDS	BEGINNING CASH BALANCE	RECEIPTS	DISBURSE-MENTS	ENDING CASH BALANCE
CENTRALIA SCHOOLS:				
STUDENT COUNCIL	$ 678.38	$ 1,653.87	$ 1,521.47	$ 810.78
NATIONAL HONOR SOCIETY	711.99	1,776.87	329.70	2,159.16
FFA	7,652.83	16,210.95	19,670.64	4,193.14
KAYS	1,114.29	3,160.00	2,486.40	1,787.89
FCCLA	5,224.88	4,404.96	4,409.51	5,220.33
ELEMENTARY STUCO	155.81	0.00	0.00	155.81
H.S. CHEERLEADERS	3,383.41	4,781.05	6,640.27	1,524.19
CLASS OF 2022	21,979.78	2,413.36	24,393.14	0.00
CLASS OF 2023	5,268.96	46,804.44	28,254.68	23,818.72
CLASS OF 2024	1,563.25	4,884.33	1,232.65	5,214.93
CLASS OF 2025	0.00	1,948.49	0.00	1,948.49
SUBTOTAL CENTRALIA SCHOOLS	47,733.58	88,038.32	88,938.46	46,833.44
FRANKFORT SCHOOLS:				
STUCO	878.77	295.00	478.45	695.32
CLASS OF 2009	54.32	0.00	0.00	54.32
CLASS OF 2011	334.86	0.00	0.00	334.86
CLASS OF 2013	1,034.20	0.00	0.00	1,034.20
CLASS OF 2015	233.84	0.00	0.00	233.84
CLASS OF 2016	118.16	0.00	0.00	118.16
CLASS OF 2019	15.00	0.00	15.00	0.00
CLASS OF 2021	0.08	0.00	0.08	(0.00)
CLASS OF 2022	12,704.75	1,543.15	14,247.90	0.00
CLASS OF 2023	1,424.09	34,924.32	19,715.92	16,632.49
CLASS OF 2024	0.00	5,322.83	1,516.10	3,806.73
CLASS OF 2025	0.00	2,128.43	0.00	2,128.43
FFA	3,318.78	33,860.00	30,859.70	6,319.08
GREENHOUSE	5,467.28	4,341.00	2,961.03	6,847.25
FCCLA	4,796.20	12,149.50	14,107.51	2,838.19
NATIONAL HONOR SOCIETY	50.16	0.00	0.00	50.16
SUBTOTAL FRANKFORT SCHOOLS	30,430.49	94,564.23	83,901.69	41,093.03
PAYROLL DEDUCTION FUND	4,963.80	29,502.94	29,859.90	4,606.84
TOTAL AGENCY FUNDS	$ 83,127.87	$ 212,105.49	$ 202,700.05	$ 92,533.31

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UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE 4

DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FUNDS	BEGINNING UNENCUMBERED CASH BALANCE	PRIOR YEAR CANCELLED ENCUMBRANCES	RECEIPTS	EXPENDITURES	ENDING UNENCUMBERED CASH BALANCE	ADD OUTSTANDING ENCUMBRANCES AND ACCOUNTS PAYABLE	ENDING CASH BALANCE
GATE RECEIPTS							
CENTRALIA SCHOOLS:							
ATHLETICS	$ 17,740.59	$ 0.00	$ 48,337.98	$ 49,708.18	$ 16,370.39	$ 0.00	$ 16,370.39
FRANKFORT SCHOOLS:							
ATHLETICS	22,010.35	0.00	83,403.37	75,493.39	29,920.33	0.00	29,920.33
SUBTOTAL GATE RECEIPTS FUNDS	39,750.94	0.00	131,741.35	125,201.57	46,290.72	0.00	46,290.72
SCHOOL PROJECTS							
CENTRALIA SCHOOLS:							
SCHOOL ENDOWMENT	2,292.00	0.00	650.00	1,000.00	1,942.00	0.00	1,942.00
SCIENCE CLUB	31.00	0.00	0.00	0.00	31.00	0.00	31.00
ANNUAL	11,440.21	0.00	6,537.04	5,862.75	12,114.50	0.00	12,114.50
BOOK FAIR	23.98	0.00	4,248.68	2,809.19	1,463.47	0.00	1,463.47
DRAMA	2,641.45	0.00	1,389.66	1,458.78	2,572.33	0.00	2,572.33
K-12 CHOIR	6,180.01	0.00	4,128.06	5,037.62	5,270.45	0.00	5,270.45
ADMINISTRATION/PICTURES	3,146.87	0.00	880.77	2,356.79	1,670.85	0.00	1,670.85
SALES TAX	0.55	0.00	5,266.41	5,266.38	0.58	0.00	0.58
COMPUTER EQUIPMENT	692.46	0.00	0.00	0.00	692.46	0.00	692.46
CONCESSION STAND EQUIPMENT	250.00	0.00	250.00	97.84	402.16	0.00	402.16
HEALTH/FITNESS	274.74	0.00	0.00	150.00	124.74	0.00	124.74
PAWS	1,395.36	0.00	12,090.40	11,019.23	2,466.53	0.00	2,466.53
BOX TOPS	2,385.25	0.00	25.20	0.00	2,410.45	0.00	2,410.45
ACCELERATED READER	2,223.52	0.00	0.00	318.86	1,904.66	0.00	1,904.66
SADD	895.79	0.00	200.00	329.85	765.94	0.00	765.94
BOOSTER - TEACHER FUNDS	0.00	0.00	2,855.50	2,155.50	700.00	0.00	700.00
JOYCE DEBORD MEMORIAL	0.00	0.00	4,655.00	0.00	4,655.00	0.00	4,655.00
DAMON QUIGLEY MEMORIAL	430.00	0.00	0.00	0.00	430.00	0.00	430.00
SUBTOTAL CENTRALIA SCHOOLS	34,303.19	0.00	43,176.72	37,862.79	39,617.12	0.00	39,617.12
FRANKFORT SCHOOLS:							
F-CLUB	386.43	0.00	12,534.28	10,786.96	2,133.75	0.00	2,133.75
DANCE TEAM	321.01	0.00	340.00	89.62	571.39	0.00	571.39
FORENSICS	250.50	0.00	0.00	0.00	250.50	0.00	250.50
SCHOLAR BOWL	437.24	0.00	810.00	678.80	568.44	0.00	568.44
JR/SR HIGH CHEERLEADERS	176.33	0.00	2,460.11	2,441.20	195.24	0.00	195.24
DRAMA	19.85	0.00	0.00	0.00	19.85	0.00	19.85
JR HIGH YEARBOOK	246.85	0.00	2,224.00	2,470.00	0.85	0.00	0.85
BAND	460.91	0.00	575.00	708.19	327.72	0.00	327.72
VOCAL	536.25	0.00	0.00	198.99	337.26	0.00	337.26
GRADE SCHOOL ACTIVITIES	2,685.48	0.00	103.97	1,450.08	1,339.37	0.00	1,339.37
K-8 STUDENT ACTIVITIES	13,231.16	0.00	14,120.09	16,502.62	10,848.63	0.00	10,848.63
WILDCAT INCENTIVE	3,162.56	0.00	2,000.00	2,850.00	2,312.56	0.00	2,312.56
YEARBOOK	8,443.73	0.00	7,682.00	6,022.13	10,103.60	0.00	10,103.60
LIBRARY	32.09	0.00	110.50	0.00	142.59	0.00	142.59
CONCESSIONS	1,599.74	0.00	511.75	1,337.67	773.82	0.00	773.82
MISCELLANEOUS PROJECTS	5,630.28	0.00	800.00	800.73	5,629.55	0.00	5,629.55
ACCELERATED READER	3,339.60	0.00	0.00	0.00	3,339.60	0.00	3,339.60
ART - POWELL	0.05	0.00	0.00	0.00	0.05	0.00	0.05
WOODWORKING TOOLS	84.48	0.00	0.00	0.00	84.48	0.00	84.48
ADMINISTRATIVE POWELL FUND	220.76	0.00	0.00	3.46	217.30	0.00	217.30
WASHINGTON DC TRIP	49,439.61	0.00	28,403.00	73,945.00	3,897.61	0.00	3,897.61
MUSIC SCHOLARSHIP	520.00	0.00	1,000.00	1,000.00	520.00	0.00	520.00
KANSAS HEALTH GRANT	3,724.21	0.00	143.00	674.77	3,192.44	0.00	3,192.44
SUBTOTAL FRANKFORT SCHOOLS	94,949.12	0.00	73,817.70	121,960.22	46,806.60	0.00	46,806.60
DISTRICT ACTIVITY:							
BOARD FLOWERS	37.66	0.00	0.00	0.00	37.66	0.00	37.66
POP MACHINE	9.15	0.00	0.00	0.00	9.15	0.00	9.15
KINDER PREP	6,008.91	0.00	13,456.12	12,586.78	6,878.25	0.00	6,878.25
SUBTOTAL DISTRICT ACTIVITY	6,055.72	0.00	13,456.12	12,586.78	6,925.06	0.00	6,925.06
SUBTOTAL SCHOOL PROJECT FUNDS	135,308.03	0.00	130,450.54	172,409.79	93,348.78	0.00	93,348.78
TOTAL DISTRICT ACTIVITY FUNDS	$ 175,058.97	$ 0.00	$ 262,191.89	$ 297,611.36	$ 139,639.50	$ 0.00	$ 139,639.50

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UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

OTHER SUPPLEMENTARY INFORMATION
SINGLE AUDIT SECTION

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Unified School District No. 380
Vermillion, Kansas 66544

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Unified School District No. 380, Vermillion, Kansas, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the District's basic financial statement and have issued our report thereon, dated November 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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.*

USD #380, Vermillion, Kansas's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statement and accordingly we express no opinion on the response.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kickhaefer & Buessing, P.A.
Marysville, Kansas
November 14, 2022

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

Board of Education
Unified School District No. 380
Vermillion, Kansas 66544

Report on Compliance for Each Major Federal Program
Opinion on Each Major Federal Program

We have audited Unified School District No. 380, Vermillion, Kansas's (the District) compliance 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 auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion Unified School District No. 380, Vermillion, Kansas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements 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 grant agreements applicable to the District's federal programs.

Auditors' 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 on 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 generally accepted auditing standards, *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 judgment 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 generally accepted auditing standards, *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.

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 internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit 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.

Kickhaefer & Buessing, P.A.
Marysville, Kansas
November 14, 2022

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UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Provided To Sub-Recipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Community Facilities Loans and Grants Cluster				
Community Facilities Loans and Grants	10.766			3,953.99
Total Community Facilities Loans and Grants Cluster				3,953.99
Total Direct Programs				3,953.99
Passed through Kansas Department of Education -				
Child Nutrition Cluster				
School Breakfast Program	10.553	D0380		81,403.35
National School Lunch Program	10.555	D0380		328,535.94
Summer Food Program	10.559	D0380		23,056.04
Total Child Nutrition Cluster				432,995.33
Covid- 19 Pandemic EBT Admin	10.649	D0380		614.00
Total U.S. Department of Agriculture				437,563.32
U.S. DEPARTMENT OF EDUCATION				
Rural Education Achievement Program	84.358A			41,392.64
Total Direct Programs				41,392.64
Passed through Kansas Department of Education -				
Title I	84.010A	D0380		61,832.00
Title II-A	84.367A	D0380		10,799.00
Title IV-A	84.424A	D0380		13,015.00
Covid 19 - ESSER II	84.425D	D0380		158,264.12
Passed through USD #115				
Secondary Program Improvement Funds - Carl Perkins	84.048	D0380		4,724.19
Total U.S Department of Education				290,026.95
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
HEALTH RESOURCES AND SERVICES ADMINISTRATION:				
Passed through Kansas Department of Education -				
Temporary Assistance for Needy Families	93.558	D0380		28,315.00
CENTER FOR DISEASE CONTROL:				
Passed through Ks Dept. of Health & Environment				
Covid -19 ELC Grant	93.323	D0380		800.00
Passed through Ks Dept of Education				
Covid - 19 ELC Grant	93.323	D0380		523.00
Total U.S Department of Health and Human Services				29,638.00
TOTAL EXPENDITURES OF FEDERAL AWARDS			$0.00	$ 757,228.27

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Unified School District No. 380, Vermillion, Kansas (the District), under programs of the federal government for the fiscal year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note 1C to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

(3) Expenditures include supplies (test kits) shipped to USD #380. This amount will not be found in Schedule 2 of USD #380 as noted below.

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 – FUNDS EXPENDED

Funds in Schedule 2 where federal expenditures were expended:

Food Service Fund	432,995.33
Title I Fund	61,832.00
Title II-A Fund	10,799.00
Title IV Fund	13,015.00
Stay Positive Test Negative-ELC	523.00
ESSER II Fund	158,264.12
Gifts & Grants - TANF	28,315.00
General Fund	614.00
Carl Perkins	4,724.19
Capital Outlay-Community Facilities Grant	3,953.99
Small Rural School – REAP FY22	41,105.00
Small Rural School – REAP FY21	287.64
Covid-19 ELC supplies for USD#380–not in Schedule 2	800.00
	$ 757,228.27

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UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

1. Type of auditors' opinion issued on whether the financial statement audited was prepared in accordance with GAAP:	Adverse
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	Yes
3. Noncompliance material to the financial statement noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified?	None reported
2. Type of auditors' report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.518(a)?	No
4. Identification of major programs:	

Name of Federal Program or Cluster	AL Number
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

5. Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
6. Auditee qualified as a low-risk auditee?	No

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT.)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION 2 - FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001 Significant Deficiency - Activity Fund Accounting

Condition: The District Activity Funds were not properly reconciled to the bank statements for FYE22.

Criteria: Internal Controls should be in place to monitor the activity fund records to ensure that accurate records are kept for the year.

Cause: There was turnover in that position and little training or monitoring.

Effect: The District Activity Fund balances did not reconcile to the bank statement at year end. An adjustment of $749.04 was required to be subtracted from the fund balances in order to reconcile with the bank statement.

Recommendation: The District needs to provide training and monitor the District Activity Fund to ensure it is being accurately reconciled.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with this finding and recommendation. The District will provide training and will monitor the bank reconciliations in the current fiscal year.

SECTION 3 - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

No matters were reported.

UNIFIED SCHOOL DISTRICT NO. 380
VERMILLION, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

No matters were reported.

PRIOR YEAR FINDINGS – MAJOR FEDERAL AWARD PROGRAMS

No matters were reported.