UNIFIED SCHOOL DISTRICT NO. 389
Eureka, Kansas

Independent Auditors' Report and
Regulatory Basis Financial Statement
With Supplementary Information

For the Year Ended June 30, 2022

Unified School District No. 389
Eureka, Kansas
Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2022

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Eureka, Kansas
Regulatory Basis Financial Statement
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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 389
Eureka, Kansas

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. 389, Eureka, Kansas, 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 *Government 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 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 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.

Other Matters

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, and schedule of regulatory basis receipts and expenditures-agency funds, and summary 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 389, Eureka, Kansas, as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated March 2, 2022, 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/accounts-reports/local-government/municipal-services. 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 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. 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 2021 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. 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 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 statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2023, on our consideration of the District's 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 the District's internal control over financial reporting and compliance.

Rodney M. Burns, CPA, LLC

Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
February 1, 2023

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Unified School District No. 389
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General		$ 2		5,596,312	5,596,314			
Supplemental General	(2)	172,496	63,938	1,786,890	1,743,859	279,465	321,316	600,781
Special Purpose:								
Pre-School Aged At-Risk				77,386	77,386		146	146
At Risk K-12		303,658		1,199,675	830,445	672,888		672,888
Bilingual Education								
Capital Outlay		3,649,313		592,187	174,090	4,067,410	28,866	4,096,276
Driver Training		7,117		4,220	11,000	337		337
Food Service	(2)	214,588	798	523,285	467,512	271,159		271,159
Professional Development	(2)	45,471	1,171		14,357	32,285		32,285
Special Education	(2)	853,579	426	961,477	1,181,777	633,705	1,124	634,829
Career and Postsecondary Education	(2)	305,746	5,986	155,938	280,000	187,670	13,781	201,451
Gifts and Grants		11,737		10,404	1,254	20,887		20,887
KPERS Special Retirement Contribution				808,604	808,604			
Contingency Reserve		478,785				478,785		478,785
Textbook and Student Material Revolving		108,534		24,213	71,507	61,240		61,240
Recreation Commission		4,781		137,525	118,457	23,849		23,849
Elementary/Secondary School Emergency Relief		(262,457)		300,297	252,162	(214,322)		(214,322)
REAP Grant		(8,604)		8,604				
Title I		10,132		155,648	165,780		937	937
KDHE COVID Testing Grant				24,026	32,162	(8,136)		(8,136)
Title II	(2)		6,091	24,631	24,631	6,091	1,459	7,550
Title IV-A	(2)		10,496	17,479	17,479	10,496	16,900	27,396
Families and Schools Together Grant		4,765				4,765		4,765
Gate Receipts		18,114		60,188	61,160	17,142		17,142
Special Projects		135,482		120,988	107,931	148,539		148,539
Bond and Interest:								
Bond and Interest		820,012		584,205	309,700	1,094,517		1,094,517
Capital Projects:								
Gym Construction Project		1,047		141	1,180	8		8
Trusts:								
Bond Refinancing		664				664		664
Tornado Relief Donations		6,964				6,964		6,964
Total Primary Government	(1)	6,881,926	88,906	13,174,323	12,348,747	7,796,408	384,529	8,180,937

The notes to the financial statements are an integral part of this statement.

Unified School District No. 389
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Composition of Cash:							
Certificates of Deposit							280,182
Demand Deposits							8,007,229
Due from State of Kansas							273,881
Petty Cash Advance							3,300
Less: Agency Funds							(383,656)
Adjustment for Rounding							1
Total Primary Government (1)							8,180,937

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

The notes to the financial statements are an integral part of this statement.

Note 1 Summary of Significant Accounting Policies

The financial statement and schedules of Unified School District #389, Eureka, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 389, and includes the primary government only, with no related municipal entities.

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 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 revenues 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 Kansas Municipal Audit and Accounting Guide 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.

Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following Regulatory Basis Fund Types comprise the financial activities of the District for the year ending June 30, 2022:

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

Special Purpose Funds -- 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.

Bond and Interest Funds -- used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Funds -- used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust Funds-- funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Funds -- funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. Under Kansas State Law, the State of Kansas will fund all employer pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 municipality 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 municipality did hold a revenue neutral rate hearing for the year ending June 30, 2022.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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. During the year ended June 30, 2022, the District had no such amendments.

Subsequent to the adoption of the budget, the budgets of the General Fund and the Supplemental General Fund were cut by the State Board of Education to the legal maximum amounts of $5,596,164 and $1,743,459, respectively. These maximum budgets are based on audited full-time equivalent enrollment.

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 revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds of the District:

Gifts and Grants Fund
Contingency Reserve Fund
Textbook Rental Fund
Elementary/Secondary School Emergency Relief Fund
REAP Grant Fund
Title I Fund
KDHE COVID Testing Grant Fund
Title II Fund
Title IV-A Fund
Families and Schools Together Grant Fund
Gate Receipts Fund
Special Projects Fund

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

Note 2 In-Substance Receipt in Transit

The District received $273,881 subsequent to June 30, 2022 and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022. $214,411 of these receipts were for the General Fund and $59,470 for the Supplemental General Fund. The total of these amounts is displayed in the "Composition of Cash" as "Due from State of Kansas".

Note 3 Deposits and Investments

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 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.

K.S.A. 12-1675 limits the Municipality'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 as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had no investments at June 30, 2022 and held no investments throughout the year.

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 not designated any peak periods.

At June 30, 2022, the carrying amount of the District's deposits was $8,287,411 and the bank balance was $9,113,215. Of the bank balance, $369,330 was covered by federal depository insurance and the remaining $8,743,885 was collateralized with securities held by the pledging financial institutions' agents in the School'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.

Note 4 Long-term Debt

2020 General Obligation Bonds

On January 7, 2020, the District issued $4,800,000 in General Obligations Bonds for the purpose of constructing a new gymnasium/athletic facility, to replace a former facility that had been destroyed by a tornado in 2018. Repayment of these bonds will be through an annual tax levy, with payments extending until September 1, 2035.

Changes in Long-Term Debt

Changes in long-term debt for the year ending June 30, 2022 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
G.O. Building Bonds	3.00-4.00%	1/07/2020	4,800,000	9/01/2035	4,800,000		150,000	4,650,000	159,700
Other Liabilities:									
Early Retirement Program					58,000	27,000	21,000	64,000	-
Total Contractual Indebtedness					4,858,000	27,000	171,000	4,714,000	159,700

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	General Obligation Bonds		Early Retirement Program	
	Principal	Interest	Principal	Interest
2022-23	$ 260,000	151,500	23,000	-
2023-24	270,000	140,900	18,000	-
2024-25	280,000	129,900	18,000	-
2025-26	290,000	118,500	5,000	-
2026-27	305,000	106,600		
2027-28/2031-32	1,695,000	364,500		
2032-33/2035-36	1,550,000	94,800		
Total	4,650,000	1,106,700	64,000	-

Note 5 Risk Management

Insurance Coverage

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 6 Interfund Transfers

From	To	Regulatory Authority	Amount
General Fund	Pre-School Aged At Risk Fund	K.S.A. 72-5167	$ 77,386
General Fund	At Risk K-12 Fund	K.S.A. 72-5167	1,007,371
General Fund	Special Education Fund	K.S.A. 72-5167	664,898
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	149,500
Supplemental General Fund	At Risk K-12 Fund	K.S.A. 72-5143	192,304
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	400

Note 7 Other Long-Term Obligations from Operations

Compensated Absences

The School District's policies regarding sick leave permit employees a maximum accumulation of 90 days. At the time of termination, if the employee has been with the District for at least five years, the employee is compensated for unused sick days at the rate of $25 per day for Certified personnel and $10 per day for all other personnel. Non-certified, full-time employees are granted a maximum of three weeks vacation per year after five years service. Unused vacation time is lost at the end of each year. Policies prohibit payment for vacation time in lieu of time off and require the cancellation of unused vacation at the time of employment termination.

Early Retirement Incentive Plan

The School District has adopted a local early retirement incentive plan for all personnel. Under this plan, certified personnel who have 15 or more years service with the District, 20 years of credited service with Kpers, and are between the age of 55 and 65 may retire and receive an annual benefit of $5,000. Persons who retire under this program between the ages of 55 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

Under this same plan, classified employees who have 15 or more years service with the District, 20 years of credited services with Kpers, and have met the age and service requirements of Kpers (85 points), may retire and receive an annual benefit of $3,000 for 12-month employees and $2,000 for 9- and 10-month employees. Persons who retire under this program between the ages of 53 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

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 (2611 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 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 14.83% and 13.33% , respectively, 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 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 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09% to 13.33% and Fiscal Year 2023 from 13.86% to 13.11%. The bond proceeds were received by KPERS on August 26, 2021. The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred to KPERS. In Fiscal Year 2023, Senate Bill 421 authorizes two additional transfers which total $271 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 $808,604 from the State of Kansas for the year ended June 30, 2022.

Net Pension Liability. At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was $6,118,478. 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.

Note 8 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The following funds had deficit unencumbered cash balances as of June 30, 2022, in the amounts indicated:

Elementary/Secondary School Emergency Relief Fund	$ 214,322
KDHE COVID Testing Grant Fund	8,136

In each of these funds, this deficit balance was caused by expenditures made in anticipation of federal funding reimbursements to be received in the 2022-23 fiscal year. This is not a violation of the Kansas Cash Basis Law.

Compliance with Kansas Budget Law

Expenditures in the Career and Postsecondary Education Fund exceeded the adopted budget in the amount of $3,562.

Compliance with Kansas Depository Security Law

No violations.

Note 9 Subsequent Events

The District has evaluated subsequent events through February 1, 2023, the date which the financial statement was available to be issued.

SUPPLEMENTARY INFORMATION

Unified School District No. 389
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022

	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)
Governmental Type Funds:						
General	$ 5,885,324	(289,160)	150	5,596,314	5,596,314	
Supplemental General	1,824,430	(80,971)	400	1,743,859	1,743,859	
Special Purpose:						
Pre-School Aged At-Risk	91,500			91,500	77,386	(14,114)
At Risk K-12	1,030,000			1,030,000	830,445	(199,555)
Bilingual Education	300			300		(300)
Capital Outlay	2,411,000		2,207	2,413,207	174,090	(2,239,117)
Driver Training	11,000			11,000	11,000	
Food Service	417,700		85,157	502,857	467,512	(35,345)
Professional Development	65,471			65,471	14,357	(51,114)
Special Education	1,312,600			1,312,600	1,181,777	(130,823)
Career and Postsecondary Education	270,000		6,438	276,438	280,000	3,562
KPERS Special Retirement Contribution	920,770			920,770	808,604	(112,166)
Recreation Commission	118,457			118,457	118,457	
Bond and Interest:						
Bond and Interest	309,800			309,800	309,700	(100)
Totals	14,668,352	(370,131)	94,352	14,392,573	11,613,501	(2,779,072)

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Reimbursements	$	150		150
Revenue from State Sources				
General State Aid	5,068,696	4,949,973	4,911,163	38,810
Mineral Production Tax	99	343		343
Special Education Aid	672,351	636,641	676,657	(40,016)
Total Revenue from State Sources	5,741,146	5,586,957	5,587,820	(863)
Revenue from Federal Sources				
P.L. 382	8,342	9,205	8,342	863
Total Cash Receipts	5,749,488	5,596,312	5,596,162	150
Expenditures and Transfers				
Instruction				
Certified Salaries	1,796,911	1,846,922	2,114,000	(267,078)
Non-Certified Salaries	47,305	34,498	49,000	(14,502)
Social Security	144,089	144,578	150,000	(5,422)
Other Employee Benefits	2,465	2,689	3,000	(311)
Miscellaneous Supplies	7,668	4,536		4,536
Other			8,000	(8,000)
Total Instruction	1,998,438	2,033,223	2,324,000	(290,777)
Support Services - Students				
Certified Salaries	294,445	282,604	302,000	(19,396)
Social Security	17,974	18,225	20,000	(1,775)
Other Employee Benefits	218	246	500	(254)
Total Support Services - Students	312,637	301,075	322,500	(21,425)
Support Services - Instr. Staff				
Certified Salaries	137,867	137,403	135,000	2,403
Other Employee Benefits	114	112	100	12
Total Support Services - Instr. Staff	137,981	137,515	135,100	2,415
General Administration				
Certified Salaries	81,962	87,715	92,000	(4,285)
Non-Certified Salaries	12,477	12,843	14,000	(1,157)
Social Security	9,953	10,278	11,000	(722)
Other Employee Benefits	64	66	100	(34)
Other Official/Administrative Services	2,054	5		5
Total General Administration	106,510	110,907	117,100	(6,193)
School Administration				
Certified Salaries	269,067	279,248	279,000	248
Non-Certified Salaries	170,452	180,654	172,000	8,654
Social Security	28,311	29,211	32,000	(2,789)
Other Employee Benefits	400	411	500	(89)
Total School Administration	468,230	489,524	483,500	6,024
Support Services - Business				
Non-Certified Salaries	76,517	78,787	79,000	(213)
Operations and Maintenance				
Non-Certified Salaries	366,648	312,435	385,000	(72,565)
Social Security	22,106	19,565	24,000	(4,435)
Other Employee Benefits	344	237	250	(13)
Total Operations and Maintenance	389,098	332,237	409,250	(77,013)
Vehicle Operation Services				
Non-Certified Salaries	108,972	146,863	135,000	11,863
Social Security	7,246	10,210	9,000	1,210
Other Employee Benefits	120	159	250	(91)
Total Vehicle Operation Services	116,338	157,232	144,250	12,982

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Vehicle Servicing/Maintenance				
Non-Certified Salaries	$ 52,352	53,241	57,000	(3,759)
Social Security	3,290	3,377	4,000	(623)
Other Employee Benefits	40	41	100	(59)
Total Vehicle Servicing/Maintenance	55,682	56,659	61,100	(4,441)
Fund Transfers				
Pre-School Aged At-Risk	73,605	77,386	87,000	(9,614)
At Risk K-12	313,819	1,007,371	914,846	92,525
Capital Outlay	238,658			
Driver Training			3,500	(3,500)
Professional Development			20,000	(20,000)
Special Education	1,022,097	664,898	676,657	(11,759)
Career and Postsecondary Education	439,876	149,500	107,521	41,979
Total Fund Transfers	2,088,055	1,899,155	1,809,524	89,631
Budget Adjustments				
Legal Max Adjustment			(289,160)	289,160
Budget Credit Adjustment			150	(150)
Total Expenditures and Transfers	5,749,486	5,596,314	5,596,314	
Receipts Over (Under) Expenditures and Transfers	2	(2)		
Unencumbered Cash, Beginning		2		
Unencumbered Cash, Ending	2			

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 607,635	689,105	569,670	119,435
Delinquent Taxes	20,497	16,042	11,945	4,097
Watercraft Tax	1,615	1,593		1,593
Reimbursements		400		400
Total Revenue from Local Sources	629,747	707,140	581,615	125,525
Revenue from County Sources				
Motor Vehicle Tax	88,732	76,358	25,184	51,174
Recreational Vehicle Tax	1,957	1,752	479	1,273
Commercial Vehicle Tax	2,584	2,614	717	1,897
Revenue in Lieu of Taxes	1,479	1,419		1,419
Total Revenue from County Sources	94,752	82,143	26,380	55,763
Revenue from State Sources				
Supplemental State Aid	1,034,153	997,607	962,968	34,639
Total Cash Receipts	1,758,652	1,786,890	1,570,963	215,927
Expenditures and Transfers				
Instruction				
Tuition to Private Sources			20,000	(20,000)
Staff Travel	8,286	8,721		8,721
Supplies and Materials	65,031	60,658	32,500	28,158
Textbooks	25,835	102,621	25,000	77,621
Miscellaneous Supplies	208,331	189,374	80,000	109,374
Property (Equipment & Furnishings)	450	56,870	40,000	16,870
Other			83,000	(83,000)
Total Instruction	307,933	418,244	280,500	137,744
Support Services - Students				
Supplies and Materials	12,033	3,095	5,000	(1,905)
Support Services - Instr. Staff				
Books and Periodicals	8,956	9,020	8,000	1,020
General Administration				
Purchased Professional and Technical Services	81,286	148,999	80,000	68,999
Board of Education Services	156	57		57
Other Official/Administrative Services	3,274	3,152		3,152
Insurance	253,429	247,994	267,000	(19,006)
Communication Services			51,000	(51,000)
Other Miscellaneous Purchased Services			9,000	(9,000)
Supplies and Materials	11,423	10,008	8,000	2,008
Total General Administration	349,568	410,210	415,000	(4,790)
Support Services - Business				
Postage	6,676	7,412		7,412
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	5,451	6,175	9,200	(3,025)
Cleaning Services			15,000	(15,000)
Disposal Services	11,238	13,377		13,377
Repairs and Maintenance	118,997	78,962	100,000	(21,038)
Rentals/Leases	35,031	43,147	45,000	(1,853)
Communication Services	43,431	29,622		29,622
Supplies and Materials	82,750	58,226	200,000	(141,774)
Heating	50,662	51,047	60,500	(9,453)
Electricity	221,050	232,449	152,000	80,449
Motor Fuel	662	801	2,000	(1,199)
Other	48,821	35,721	20,000	15,721
Total Operations and Maintenance	618,093	549,527	603,700	(54,173)

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Vehicle Operation Services				
Motor Fuel	$ 35,900	82,147	45,000	37,147
Equipment			10,000	(10,000)
Other	2,943	2,162		2,162
Total Vehicle Operation Services	38,843	84,309	55,000	29,309
Vehicle Servicing/Maintenance				
Supplies and Materials	60,234	69,338	100,000	(30,662)
Other			4,000	(4,000)
Total Vehicle Servicing/Maintenance	60,234	69,338	104,000	(34,662)
Fund Transfers				
Pre-School Aged At-Risk			12,000	(12,000)
Bilingual Education			300	(300)
At Risk K-12	353,740	192,304	282,500	(90,196)
Special Education		400		400
Career and Postsecondary Education			58,430	(58,430)
Total Fund Transfers	353,740	192,704	353,230	(160,526)
Budget Adjustments				
Legal Max Adjustment			(80,971)	80,971
Budget Credit Adjustment			400	(400)
Total Expenditures and Transfers	1,756,076	1,743,859	1,743,859	
Receipts Over (Under) Expenditures and Transfers	2,576	43,031		
Unencumbered Cash, Beginning	104,256	172,496		
Prior Year Encumbrances Cancelled	65,664	63,938		
Unencumbered Cash, Ending	172,496	279,465		

Unified School District No. 389
Pre-School Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 73,605	77,386	87,000	(9,614)
Transfer from Supplemental General Fund			12,000	(12,000)
Total Cash Receipts	73,605	77,386	99,000	(21,614)
Expenditures and Transfers				
Instruction				
Certified Salaries	69,091	72,541	60,000	12,541
Non-Certified Salaries			25,000	(25,000)
Social Security	4,514	4,699	6,500	(1,801)
General Supplies and Materials		146		146
Total Expenditures and Transfers	73,605	77,386	91,500	(14,114)
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
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 Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 313,819	1,007,371	914,846	92,525
Transfer from Supplemental General Fund	353,740	192,304	282,500	(90,196)
Total Cash Receipts	667,559	1,199,675	1,197,346	2,329
Expenditures and Transfers				
Instruction				
Certified Salaries	752,146	779,955	800,000	(20,045)
Non-Certified Salaries		60	150,000	(149,940)
Social Security	49,573	50,430	55,000	(4,570)
Property (Equipment & Furnishings)			25,000	(25,000)
Total Expenditures and Transfers	801,719	830,445	1,030,000	(199,555)
Receipts Over (Under) Expenditures and Transfers	(134,160)	369,230		
Unencumbered Cash, Beginning	437,818	303,658		
Unencumbered Cash, Ending	303,658	672,888		

Unified School District No. 389
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	$		300	(300)
Total Cash Receipts			300	(300)
Expenditures and Transfers				
Instruction				
Certified Salaries			300	(300)
Total Expenditures and Transfers			300	(300)
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 270,131	329,258	283,334	45,924
Delinquent Taxes	8,264	6,672	5,318	1,354
Watercraft Tax	695	708		708
Other Revenue From Local Sources	642,881	56,672	35,000	21,672
Total Revenue from Local Sources	921,971	393,310	323,652	69,658
Revenue from County Sources				
Motor Vehicle Tax	37,040	33,194	11,210	21,984
Recreational Vehicle Tax	1,000	763	213	550
Commercial Vehicle Tax	1,096	1,150	319	831
Revenue in Lieu of Taxes	2,231	2,211		2,211
Total Revenue from County Sources	41,367	37,318	11,742	25,576
Revenue from State Sources				
General State Aid	150,430	155,407	156,534	(1,127)
Revenue from Federal Sources				
Federal Flood Control Allocation	329	2,207		2,207
P.L. 382	3,575	3,945	4,000	(55)
Total Revenue from Federal Sources	3,904	6,152	4,000	2,152
Operating Transfers				
Transfer from General Fund	238,658			
Total Cash Receipts	1,356,330	592,187	495,928	96,259
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)			700,000	(700,000)
Support Services - Students				
Property (Equipment & Furnishings)			180,000	(180,000)
Operations and Maintenance				
Property (Equipment & Furnishings)	42,695	133,715	250,000	(116,285)
Vehicle Operation Services				
Property (Equipment & Furnishings)			230,000	(230,000)
Facilities Acquisition/Construction				
Architectural Services			51,000	(51,000)
Site Improvement Services	223,396	40,375	1,000,000	(959,625)
Total Facilities Acquisition/Construction	223,396	40,375	1,051,000	(1,010,625)
Budget Credit Adjustment			2,207	(2,207)
Total Expenditures and Transfers	266,091	174,090	2,413,207	(2,239,117)
Receipts Over (Under) Expenditures and Transfers	1,090,239	418,097		
Unencumbered Cash, Beginning	2,555,986	3,649,313		
Prior Year Encumbrances Cancelled	3,088			
Unencumbered Cash, Ending	3,649,313	4,067,410		

Unified School District No. 389
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	$	560		560
Revenue from State Sources				
General State Aid	2,244	3,660	3,600	60
Operating Transfers				
Transfer from General Fund			3,500	(3,500)
Total Cash Receipts	2,244	4,220	7,100	(2,880)
Expenditures and Transfers				
Instruction				
Certified Salaries	9,395	8,574	9,000	(426)
Social Security	719	684	850	(166)
Other Employee Benefits	9	9	150	(141)
Supplies and Materials		1,199		1,199
Total Instruction	10,123	10,466	10,000	466
Vehicle Operation/Maintenance				
Motor Fuel		534	1,000	(466)
Total Expenditures and Transfers	10,123	11,000	11,000	
Receipts Over (Under) Expenditures and Transfers	(7,879)	(6,780)		
Unencumbered Cash, Beginning	14,996	7,117		
Unencumbered Cash, Ending	7,117	337		

Unified School District No. 389
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Student Sales	$ 7,202	244		244
Adults and Non-Reimbursable Programs	2,315	2,651	2,730	(79)
Other Revenue From Local Sources	7,148	9,629	5,000	4,629
Total Revenue from Local Sources	16,665	12,524	7,730	4,794
Revenue from State Sources				
General State Aid	4,276	3,285	2,663	622
Revenue from Federal Sources				
Federal Financial Assistance	425,623	507,476	422,319	85,157
Total Cash Receipts	446,564	523,285	432,712	90,573
Expenditures and Transfers				
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	2,370	2,768		2,768
Food Service Operations				
Non-Certified Salaries	99,078	111,626	105,000	6,626
Social Security	6,792	7,743	7,500	243
Other Employee Benefits	82	94	200	(106)
Food and Milk	224,098	270,071	250,000	20,071
Miscellaneous Supplies	16,187	20,469	15,000	5,469
Property (Equipment & Furnishings)	19,543	40,783	30,000	10,783
Other	3,906	13,958	10,000	3,958
Total Food Service Operations	369,686	464,744	417,700	47,044
Budget Credit Adjustment			85,157	(85,157)
Total Expenditures and Transfers	372,056	467,512	502,857	(35,345)
Receipts Over (Under) Expenditures and Transfers	74,508	55,773		
Unencumbered Cash, Beginning	133,406	214,588		
Prior Year Encumbrances Cancelled	6,674	798		
Unencumbered Cash, Ending	214,588	271,159		

Unified School District No. 389
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 3,080			
Operating Transfers				
Transfer from General Fund			20,000	(20,000)
Total Cash Receipts	3,080		20,000	(20,000)
Expenditures and Transfers				
Support Services - Instr. Staff				
Instructional Program Improvement Services	16,408	14,357	65,471	(51,114)
Total Expenditures and Transfers	16,408	14,357	65,471	(51,114)
Receipts Over (Under) Expenditures and Transfers	(13,328)	(14,357)		
Unencumbered Cash, Beginning	58,449	45,471		
Prior Year Encumbrances Cancelled	350	1,171		
Unencumbered Cash, Ending	45,471	32,285		

Unified School District No. 389
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Interest on Investments	$ 17,698	23,560	10,000	13,560
Revenue from Federal Sources				
Federal Financial Assistance	200,242	223,953	228,568	(4,615)
Medicaid Title XIX	23,292	48,666	25,000	23,666
Other Federal Financial Assistance			16,804	(16,804)
Total Revenue from Federal Sources	223,534	272,619	270,372	2,247
Operating Transfers				
Transfer from General Fund	1,022,097	664,898	676,657	(11,759)
Transfer from Supplemental General Fund		400		400
Total Operating Transfers	1,022,097	665,298	676,657	(11,359)
Total Cash Receipts	1,263,329	961,477	957,029	4,448
Expenditures and Transfers				
Instruction				
Certified Salaries	506,744	473,624	595,500	(121,876)
Non-Certified Salaries	399,225	396,744	448,000	(51,256)
Social Security	58,009	53,922	60,000	(6,078)
Other Employee Benefits	704	645	1,000	(355)
Purchased Professional and Technical Services	10,097	80,835	15,000	65,835
Tuition		5,639		5,639
Other Miscellaneous Purchased Services			2,500	(2,500)
Supplies and Materials	35,907	19,694	8,000	11,694
Miscellaneous Supplies	1,601	90		90
Other			1,000	(1,000)
Total Instruction	1,012,287	1,031,193	1,131,000	(99,807)
Support Services - Students				
Certified Salaries	58,240	59,987	75,000	(15,013)
Social Security	4,448	4,591	4,500	91
Other Employee Benefits	55	56		56
Purchased Professional and Technical Services			100	(100)
Total Support Services - Students	62,743	64,634	79,600	(14,966)
Vehicle Operation Services				
Non-Certified Salaries	28,678	31,843	35,000	(3,157)
Social Security	2,192	2,419	4,000	(1,581)
Motor Fuel	3,212	5,038	13,000	(7,962)
Property (Equipment & Furnishings)	27,995	46,650	50,000	(3,350)
Total Vehicle Operation Services	62,077	85,950	102,000	(16,050)
Total Expenditures and Transfers	1,137,107	1,181,777	1,312,600	(130,823)
Receipts Over (Under) Expenditures and Transfers	126,222	(220,300)		
Unencumbered Cash, Beginning	727,350	853,579		
Prior Year Encumbrances Cancelled	7	426		
Unencumbered Cash, Ending	853,579	633,705		

Unified School District No. 389
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Federal Sources				
Federal Financial Assistance	$	6,438		6,438
Operating Transfers				
Transfer from General Fund	439,876	149,500	107,521	41,979
Transfer from Supplemental General Fund			58,430	(58,430)
Total Operating Transfers	439,876	149,500	165,951	(16,451)
Total Cash Receipts	439,876	155,938	165,951	(10,013)
Expenditures and Transfers				
Instruction				
Certified Salaries	214,193	225,130	220,000	5,130
Purchased Professional and Technical Services		6,439		6,439
Miscellaneous Supplies	28,714	48,431	35,000	13,431
Property (Equipment & Furnishings)			15,000	(15,000)
Total Instruction	242,907	280,000	270,000	10,000
Budget Credit Adjustment			6,438	(6,438)
Total Expenditures and Transfers	242,907	280,000	276,438	3,562
Receipts Over (Under) Expenditures and Transfers	196,969	(124,062)		
Unencumbered Cash, Beginning	104,034	305,746		
Prior Year Encumbrances Cancelled	4,743	5,986		
Unencumbered Cash, Ending	305,746	187,670		

Unified School District No. 389
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Local Sources			
Donations	$	6,760	10,404
Total Cash Receipts		6,760	10,404
Expenditures and Transfers			
Instruction			
Property (Equipment & Furnishings)		6,640	1,254
Total Expenditures and Transfers		6,640	1,254
Receipts Over (Under) Expenditures and Transfers		120	9,150
Unencumbered Cash, Beginning		11,617	11,737
Unencumbered Cash, Ending		11,737	20,887

Unified School District No. 389
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 Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 760,967	808,604	920,770	(112,166)
Total Cash Receipts	760,967	808,604	920,770	(112,166)
Expenditures and Transfers				
Instruction				
Other Employee Benefits	507,568	541,348	614,157	(72,809)
Support Services - Students				
Other Employee Benefits	37,519	40,441	45,398	(4,957)
Support Services - Instr. Staff				
Other Employee Benefits	18,569	18,865	22,468	(3,603)
General Administration				
Other Employee Benefits	23,582	26,469	28,534	(2,065)
School Administration				
Other Employee Benefits	66,537	70,786	80,510	(9,724)
Support Services - Business				
Other Employee Benefits	12,017	12,879	14,541	(1,662)
Operations and Maintenance				
Other Employee Benefits	58,105	55,465	70,307	(14,842)
Vehicle Operation Services				
Other Employee Benefits	24,839	27,425	30,055	(2,630)
Operation of Non-Instruction Services				
Other Employee Benefits	12,231	14,926	14,800	126
Total Expenditures and Transfers	760,967	808,604	920,770	(112,166)
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	Current Year Actual
Cash Receipts			
None	$		
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning		478,785	478,785
Unencumbered Cash, Ending		478,785	478,785

Unified School District No. 389
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
User Charges and Fines	$ 20,275	15,316
Rental Fees and Books	41,773	8,897
Total Cash Receipts	62,048	24,213
Expenditures and Transfers		
Instruction		
Supplies and Materials	18,698	14,051
Textbooks		57,456
Total Expenditures and Transfers	18,698	71,507
Receipts Over (Under) Expenditures and Transfers	43,350	(47,294)
Unencumbered Cash, Beginning	65,184	108,534
Unencumbered Cash, Ending	108,534	61,240

Unified School District No. 389
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 106,702	120,440	106,936	13,504
Delinquent Taxes	3,328	2,691	2,100	591
Watercraft Tax	274	280		280
Total Revenue from Local Sources	110,304	123,411	109,036	14,375
Revenue from County Sources				
Motor Vehicle Tax	14,697	13,110	4,430	8,680
Recreational Vehicle Tax	324	301	84	217
Commercial Vehicle Tax	433	454	126	328
Revenue in Lieu of Taxes	251	249		249
Total Revenue from County Sources	15,705	14,114	4,640	9,474
Total Cash Receipts	126,009	137,525	113,676	23,849
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	129,347	118,457	118,457	
Total Expenditures and Transfers	129,347	118,457	118,457	
Receipts Over (Under) Expenditures and Transfers	(3,338)	19,068		
Unencumbered Cash, Beginning	8,119	4,781		
Unencumbered Cash, Ending	4,781	23,849		

Unified School District No. 389
Elementary/Secondary School Emergency Relief Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 138,989	300,297
Total Cash Receipts	138,989	300,297
Expenditures and Transfers		
Instruction		
Certified Salaries	45,016	223,243
Non-Certified Salaries	9,682	8,973
General Supplies and Materials	249,487	8,751
Property (Equipment & Furnishings)	82,337	11,195
Total Expenditures and Transfers	386,522	252,162
Receipts Over (Under) Expenditures and Transfers	(247,533)	48,135
Unencumbered Cash, Beginning	(14,924)	(262,457)
Unencumbered Cash, Ending	(262,457)	(214,322)

Unified School District No. 389
SPARK Program Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	353,657	
Total Cash Receipts		353,657	
Expenditures and Transfers			
Instruction			
Certified Salaries		48,652	
Operations and Maintenance			
General Supplies and Materials		305,005	
Total Expenditures and Transfers		353,657	
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 389
REAP Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	8,604
Total Cash Receipts		8,604
Expenditures and Transfers		
Support Services - Instr. Staff		
Purchased Professional and Technical Services	8,604	
Total Expenditures and Transfers	8,604	
Receipts Over (Under) Expenditures and Transfers	(8,604)	8,604
Unencumbered Cash, Beginning		(8,604)
Unencumbered Cash, Ending	(8,604)	

Unified School District No. 389
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 157,652	155,648
Total Cash Receipts	157,652	155,648
Expenditures and Transfers		
Instruction		
Certified Salaries	132,321	134,834
Social Security	14,243	28,189
Supplies and Materials	709	954
Total Instruction	147,273	163,977
Support Services - Students		
Other	307	1,803
Total Expenditures and Transfers	147,580	165,780
Receipts Over (Under) Expenditures and Transfers	10,072	(10,132)
Unencumbered Cash, Beginning	60	10,132
Unencumbered Cash, Ending	10,132	

Unified School District No. 389
KDHE COVID Testing Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	24,026
Total Cash Receipts		24,026
Expenditures and Transfers		
Support Services - Students		
General Supplies and Materials		630
General Administration		
Certified Salaries		31,532
Total Expenditures and Transfers		32,162
Receipts Over (Under) Expenditures and Transfers		(8,136)
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		(8,136)

Unified School District No. 389
Title II Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 24,309	24,631
Total Cash Receipts	24,309	24,631
Expenditures and Transfers		
Support Services - Instr. Staff		
Instructional Program Improvement Services	24,309	24,631
Total Expenditures and Transfers	24,309	24,631
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		
Prior Year Encumbrances Cancelled		6,091
Unencumbered Cash, Ending		6,091

Unified School District No. 389
Title IV-A Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	17,122	17,479
Total Cash Receipts		17,122	17,479
Expenditures and Transfers			
Instruction			
Purchased Professional and Technical Services		17,122	17,479
Total Expenditures and Transfers		17,122	17,479
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Prior Year Encumbrances Cancelled			10,496
Unencumbered Cash, Ending			10,496

Unified School District No. 389
Families and Schools Together Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	$	
Expenditures and Transfers		
None		
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	4,765	4,765
Unencumbered Cash, Ending	4,765	4,765

Unified School District No. 389
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 402,569	486,984	420,031	66,953
Delinquent Taxes	11,179	9,519	7,961	1,558
Watercraft Tax	925	1,056		1,056
Total Revenue from Local Sources	414,673	497,559	427,992	69,567
Revenue from County Sources				
Motor Vehicle Tax	50,463	45,821	16,785	29,036
Recreational Vehicle Tax	1,113	1,061	319	742
Commercial Vehicle Tax	1,474	1,654	478	1,176
Revenue in Lieu of Taxes	847	946		946
Total Revenue from County Sources	53,897	49,482	17,582	31,900
Revenue from State Sources				
General State Aid	404,153	37,164	37,176	(12)
Total Cash Receipts	872,723	584,205	482,750	101,455
Expenditures and Transfers				
Debt Service				
Redemption of Principal	730,000	150,000	150,000	
Interest (Coupons)	198,055	159,700	159,700	
Commission and Postage			100	(100)
Total Expenditures and Transfers	928,055	309,700	309,800	(100)
Receipts Over (Under) Expenditures and Transfers	(55,332)	274,505		
Unencumbered Cash, Beginning	875,344	820,012		
Unencumbered Cash, Ending	820,012	1,094,517		

Unified School District No. 389
Gym Construction Project Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Interest on Investments	$ 5,865	141
Total Cash Receipts	5,865	141
Expenditures and Transfers		
Facilities Acquisition/Construction		
Architecture and Engineering Services	68,559	
New Buildings Acquisition and Construction	363,503	1,180
Total Expenditures and Transfers	432,062	1,180
Receipts Over (Under) Expenditures and Transfers	(426,197)	(1,039)
Unencumbered Cash, Beginning	427,244	1,047
Unencumbered Cash, Ending	1,047	8

Unified School District No. 389
Bond Refinancing Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	Current Year Actual
Cash Receipts			
None	$		
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning		664	664
Unencumbered Cash, Ending		664	664

Unified School District No. 389
Tornado Relief Donations Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	Current Year Actual
Cash Receipts			
None	$		
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning		6,964	6,964
Unencumbered Cash, Ending		6,964	6,964

Unified School District No. 389
Eureka, Kansas
Agency Funds
Schedule of Receipts and Cash Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School:				
Ambassadors	$ 525	-	-	525
Art Club	3,472	3,040	3,037	3,475
Band	1,597	2,359	3,155	801
Band Fees and Rental	-	290	290	-
Baseball	1,394	-	-	1,394
Birkholz Memorial	300	-	-	300
Boys Basketball	416	3,055	2,951	520
Cheerleaders	2,291	13,981	11,742	4,530
Class of '17	672	-	420	252
Class of '18	951	-	-	951
Class of '19	186	-	-	186
Class of '20	1,581	-	-	1,581
Class of '21	2,919	-	-	2,919
Class of '22	1,520	148	640	1,028
Class of '23	2,889	876	2,587	1,178
Class of '24	1,790	929	-	2,719
Class of '25	667	801	215	1,253
Class of '26	214	250	-	464
Class of '27	-	365	-	365
Cross Country	1,361	7	-	1,368
E-Club	288	-	-	288
Educational Trips	940	-	-	940
English Eight	342	-	-	342
English Reading	1,168	-	-	1,168
Family & Consumer Science	-	591	591	-
FCA	13,671	2,290	6,509	9,452
FCCLA	1,484	8,840	9,915	409
FFA	24,440	41,897	45,958	20,379
Film Class Fee	-	80	80	-
Football	781	7,507	5,681	2,607
Foreign Language Club	1,101	7,785	4,580	4,306
Forensics	2,276	-	297	1,979
Girls Basketball	1,318.00	3,852	3,897	1,273
Girls Golf	258.00	247	170	335
High School Track	85	850	827	108
Junior High Cheerleaders	308	10,878	9,013	2,173
National Honor Society	-	906	587	319
Pep Club	1,520	-	-	1,520
Pop Chorale	1,522	$ (369)	997	156
Prom Partners	562	-	-	562
SADD	7,560	1,746	3,409	5,897
Safe	1,380	800	204	1,976
Scholar's Bowl	2,624	440	560	2,504
School Farm	-	350	-	350
Science Club	3,172	7,116	5,022	5,266
Science Fund	-	2,352	2,352	-
Skills	413	1,125	1,425	113
Speech and Drama Club	6,470	-	569	5,901
Stuco Vending	856	4,496	4,374	978
Student Council	85	578	356	307
Student Council Pop	257	6,788	6,603	442
Testing Fees	340	-	-	340
Tornado Cave	9,433	5,131	6,873	7,691
Trap Shoot	-	1,000	-	1,000
Twisted Design	8,839	12,073	8,146	12,766
Vocal Music	-	130	130	-
Wrestling	1,115	1,600	1,601	1,114
Yearbook Club	273	460	240	493
Other Agency Funds				
Payroll Clearing	257,848	2,710,336	2,705,804	262,380
Sales Tax	8	6,924	6,919	13
Total Agency Funds	377,482	2,874,900	2,868,726	383,656

Unified School District No. 389
Eureka, Kansas
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
High School:						
Athletics	$ 13,945	46,425	48,593	11,777		11,777
Concessions	4,169	13,763	12,567	5,365	-	5,365
Subtotal Gate Receipts	18,114	60,188	61,160	17,142	-	17,142
Special Projects:						
Marshall Elementary:						
Book Fair	2,842	3,027	3,037	2,832		2,832
General Clearing	150	12,145	11,343	952		952
Pop Machine	10,784	2,923	4,234	9,473		9,473
Student Needs	3,843	18,252	15,413	6,682		6,682
High School:						
Activities Change Account	791	40,420	40,420	791		791
Athletic T-Shirts	262	1,158	1,384	36		36
Copy Center Equipment	2,470	108	-	2,578		2,578
Dual Credit Scholarship Loans	14,273	-	11,948	2,325		2,325
Larry Shue Memorial	4,026	8	-	4,034		4,034
Lift-a-thon	1,351	90	754	687		687
Scholarships	21,001	29,679	15,918	34,762		34,762
Scholarships - Williams/Nuessen	5,360	-	250	5,110		5,110
Scholarships-ETA	181	-	-	181		181
Scholarships-Ghyneth	34,185	154	150	34,189		34,189
Scholarships-Jean Gundy	25,858	-	-	25,858		25,858
Scholarships-John May	767	-	200	567		567
Scholarships- Peffer Family	-	10,000	-	10,000		10,000
Scholarships-Larry Shue	438	-	100	338		338
Special Ed Program	6,623	316	-	6,939		6,939
Yearbook	277	2,708	2,780	205	-	205
Subtotal Special Projects	135,482	120,988	107,931	148,539	-	148,539
Total District Activity Funds	153,596	181,176	169,091	165,681	-	165,681

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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. 389
Eureka, 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. 389, Eureka, Kansas, (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated February 1, 2023, which was qualified because the District prepares its financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
February 1, 2023

Rodney M. Burns
CPA

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INDEPENDENT AUDITOR'S 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. 389
Eureka, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 389, Eureka, Kansas, (the District) with the types of compliance requirements described in the U.S. *Office of Management and Budget (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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs 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 Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 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 other provisions of contracts or grant 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 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 judgment 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 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 those 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.

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
February 1, 2023

Unified School District No. 389
Eureka, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

I. Summary of Independent Auditors' Results

Financial Statement:
The independent auditors' report expresses an adverse opinion on the financial statement of Unified School District No. 389 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an unmodified opinion on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported
Non compliance or other matters required to be reported under *Government Auditing Standards?*	_____	Yes	X	No

Federal Awards:
Internal control over major programs:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported

The independent auditors' report on compliance for the major federal award programs for Unified School District No. 389 expresses an unmodified opinion.

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

Identification of major programs:

U.S. Department of Agriculture
Child Nutrition Cluster:

School Breakfast Program	CFDA #10.553
National School Lunch Program	CFDA #10.555
Summer Food Service Program for Children	CFDA #10.559
Fresh Fruit and Vegetable Program	CFDA #10.582

The threshold for distinguishing Types A and B programs was $750,000.

Auditee qualified as a low risk auditee?	_____	Yes	X	No

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

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Unified School District No. 389
Eureka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures	Provided to Subrecipients
U.S. Department of Agriculture					
Passed through State Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	DO389	10.553 $	115,061	115,061	0
National School Lunch Program	DO389	10.555	337,279	337,279	0
Summer Food Service Program for Children	DO389	10.559	39,227	39,227	0
Fresh Fruits and Vegetables Program	DO389	10.582	15,909	15,909	0
	Total Child Nutrition Cluster		507,476	507,476	0 (1)
Total U.S. Department of Agriculture			507,476	507,476	0
U.S. Department of the Interior					
Passed through Woodson County, Kansas					
Payments in Lieu of Taxes		15.226	4,930	4,930	
Passed through Greenwood County, Kansas					
Payments in Lieu of Taxes		15.226	2,100	2,100	0
Total U.S. Department of Agriculture			7,030	7,030	0
U.S. Department of Education					
Impact Aid		84.041	13,150	13,150	0
Passed through Kansas Department of Education					
Special Education Cluster:					
Special Education - Grants to States	DO389	84.027	214,632	214,632	0
Special Education - Preschool Grants	DO389	84.173	9,321	9,321	0
	Total Special Education Cluster		223,953	223,953	0
Title I Grant to Local Educational Agencies	DO389	84.010	155,648	165,780	0
Career and Technical Education - Basic Grants to States	DO389	84.048	6,438	6,438	0
Improving Teacher Quality State Grants	DO389	84.367	24,631	24,631	0
Student Support and Academic Enrichment Program	DO389	84.424	17,479	17,479	0
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - COVID-19	DO389	84.425D	300,297	252,162	0
Passed through Southeast Kansas Education Service Center					
Career and Technical Education - Basic Grants to States		84.048	5,269	5,269	0
Rural Education (Direct)		84.358	8,604	0	0
Total U.S. Department of Education			755,469	708,862	0
U.S. Department of Health and Human Services					
Passed through Kansas Department of Education					
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	DO389	93.079	267	267	0
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - COVID-19	DO389	93.323	24,026	32,162	0
Total U.S. Department of Health and Human Services			24,293	32,429	0
Total Federal Awards			1,294,268	1,255,797	0

(1) This program was considered to be a major program

Note to the Schedule of Expenditures of Federal Awards:

Note A: General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal financial assistance programs of Unified School District No. 389, Eureka, Kansas (the District). The reporting entity is defined in Note 1 of the District's basic financial statement. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies are included on the Schedule.

Note B: Indirect Cost Rate

The District did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance

Note C: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is presented using the regulatory basis of accounting, which is described in Note 1 of the District's basic financial statement. This is the same basis of accounting used in the District's regulatory basis financial statement. The information in the Schedule is presented 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* (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 assets, or cash flows of the District.