

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

Primary Government Financial Statement  
With Independent Auditors' Report

For the Year Ended June 30, 2022

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
Primary Government Financial Statement With Independent Auditors' Report  
For the Year Ended June 30, 2022

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Primary Government Financial Statement With Independent Auditors' Report  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
**Unified School District No. 431 Hoisington, Kansas**  
Hoisington, Kansas

### Report on the Audit of the Financial Statements

#### Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 431 Hoisington, 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 matters 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 *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 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.

### **Auditors' Responsibilities for the Audit of the Financial Statement**

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, summary of regulatory basis receipts and disbursements – agency funds, and schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary 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 District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated January 10, 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/oar/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 ended June 30, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 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.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

**ADAMSBROWN, LLC**  
Certified Public Accountants  
Great Bend, Kansas

January 9, 2023

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
<b>General Funds</b>							
General Fund	\$ -	-	6,502,081	6,502,081	-	102,413	<b>102,413</b>
Supplemental General Fund	100,788	-	2,012,758	2,013,546	<b>100,000</b>	-	<b>100,000</b>
<b>Special Purpose Funds</b>							
Contingency Reserve Fund	686,936	-	46,322	-	<b>733,258</b>	15,058	<b>748,316</b>
Capital Outlay Fund	661,066	-	675,011	492,841	<b>843,236</b>	81,613	<b>924,849</b>
Driver Training Fund	49,818	-	15,025	8,516	<b>56,327</b>	-	<b>56,327</b>
Professional Development Fund	41,998	-	549	16,202	<b>26,345</b>	760	<b>27,105</b>
Food Service Fund	180,769	-	637,819	614,171	<b>204,417</b>	6,873	<b>211,290</b>
Special Education Fund	274,060	-	1,093,471	1,268,005	<b>99,526</b>	90	<b>99,616</b>
Vocational Education Fund	156,409	-	245,129	401,538	-	143	<b>143</b>
Textbook Rental Fund	76,282	-	48,703	62,325	<b>62,660</b>	1,148	<b>63,808</b>
KPERS Special Retirement Contribution Fund	-	-	667,234	667,234	-	-	-
At Risk/4 Year Fund	107,339	-	-	79,011	<b>28,328</b>	-	<b>28,328</b>
At Risk/K-12 Fund	205,019	-	1,024,832	634,218	<b>595,633</b>	-	<b>595,633</b>
Bilingual Education Fund	791	-	-	-	<b>791</b>	-	<b>791</b>
Gifts and Grants Fund	4,855	-	120,504	89,174	<b>36,185</b>	1,361	<b>37,546</b>
Title I Fund	11,029	-	117,890	154,145	<b>(25,226)</b>	525	<b>(24,701)</b>
Title IIA Fund	82	-	19,163	19,245	-	-	-
Title IVA Fund	4,330	-	6,410	19,755	<b>(9,015)</b>	480	<b>(8,535)</b>
Recreation Commission Fund	11,557	-	195,524	207,081	-	-	-
Recreation Commission Employee Benefits Fund	2,452	-	24,411	23,897	<b>2,966</b>	-	<b>2,966</b>
Federal Funds Fund	-	-	429,265	429,822	<b>(557)</b>	-	<b>(557)</b>
District Activity Funds	2,008	-	61,775	63,318	<b>465</b>	-	<b>465</b>
<b>Bond and Interest Fund</b>							
Bond and Interest Fund	1,172,470	-	960,379	958,500	<b>1,174,349</b>	-	<b>1,174,349</b>
<b>Trust Fund</b>							
Scholarship Fund	97,500	-	684	684	<b>97,500</b>	3,804	<b>101,304</b>
<b>Total Primary Government (Excluding Agency Funds)</b>	<b>\$ 3,847,558</b>	<b>-</b>	<b>14,904,939</b>	<b>14,725,309</b>	<b>4,027,188</b>	<b>214,268</b>	<b>4,241,456</b>
<b>Composition of Cash</b>							
			Checking and Money Market Accounts				\$ 4,274,667
			Savings Accounts				3,804
			Cash on Hand				100
			Certificates of Deposit				97,500
			Total Cash				4,376,071
			Agency Funds Per Schedule 3				(134,615)
			<b>Total Primary Government (Excluding Agency Funds)</b>				<b>\$ 4,241,456</b>

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



## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Notes to Financial Statement

June 30, 2022

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Unified School District No. 431 Hoisington, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

#### **Financial Reporting Entity**

The District is a municipal corporation governed by an elected seven-member board. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

#### **Hoisington Recreation Commission**

Hoisington Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. Audited financial statements can be obtained by contacting the recreation commission's office.

#### **Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

#### **Regulatory Basis Fund Types**

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

**Special Purpose Fund** – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

#### **Basis of Accounting**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Notes to Financial Statement

June 30, 2022

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the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

### **Reimbursements**

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

### **NOTE 2 – BUDGETARY INFORMATION**

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

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

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

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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Notes to Financial Statement

June 30, 2022

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A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Fund, Title IIA Fund, Title IVA Fund, Federal Funds Fund, and District Activity Funds.

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

### NOTE 3 – DEPOSITS AND INVESTMENTS

**Unified School District No. 431 Hoisington, Kansas** follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

#### Concentration of Credit Risk

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

#### Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2022.

At June 30, 2022, the District's carrying amount of deposits was \$4,376,071 and the bank balance was \$5,352,464. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$390,323 was covered by federal depository insurance and \$4,962,141 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

#### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2022.

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Notes to Financial Statement

June 30, 2022

### NOTE 4 – IN-SUBSTANCE RECEIPT IN TRANSIT

**Unified School District No. 431 Hoisington, Kansas** received \$292,938 subsequent to June 30, 2022 and as required by K.S.A. 72-5135, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

### NOTE 5 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 431 Hoisington, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2022 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-5167	\$ 90,303
General Fund	Special Education Fund	K.S.A. 72-5167	1,034,958
General Fund	Vocational Education Fund	K.S.A. 72-5167	242,518
General Fund	At Risk/K-12 Fund	K.S.A. 72-5167	802,844
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	46,322
Supplemental General Fund	At Risk/K-12 Fund	K.S.A. 72-5143	221,988

### NOTE 6 – LITIGATION

**Unified School District No. 431 Hoisington, Kansas** is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

### NOTE 7 – RISK MANAGEMENT

**Unified School District No. 431 Hoisington, Kansas** is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other districts in the State to participate in the Kansas Association of School Boards (KASB), a public entity risk pool currently operating as a common risk management and insurance program for 112 participating members.

The District pays an annual premium to the Kansas Association of School Boards for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000, for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards management.

The District carries commercial insurance coverage for claims arising from matter other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

### NOTE 8 – GRANTS AND SHARED REVENUES

**Unified School District No. 431 Hoisington, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore,

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Notes to Financial Statement

June 30, 2022

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to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

### NOTE 9 – DEFERRED COMPENSATION PLAN

**Unified School District No. 431 Hoisington, Kansas** sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

### NOTE 10 – DEFINED BENEFIT PENSION PLAN

#### General Information about the Pension Plan

##### Plan Description

**Unified School District No. 431 Hoisington, Kansas** 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](http://www.kpers.org) or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

##### Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 15.59% and 14.23%, respectively, for the fiscal year ended June 30, 2021. The actuarially determined employer contribution rate and the statutory contribution rate was 14.83% and 13.33%, 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 dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of \$194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of \$19.4 million starting in fiscal year 2020.

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Notes to Financial Statement

June 30, 2022

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$667,234 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 \$5,476,426. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

### **NOTE 11 – OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, **Unified School District No. 431 Hoisington, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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

### **NOTE 12 – COMPENSATED ABSENCES**

The District's contracts with various employees permit the employees to accumulate different amounts of vacation, sick, and universal leave. Clerical and custodial (classified) employees are allowed to accumulate vacation and sick leave. Full-time (certified) employees are allowed to accumulate universal leave.

## **UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

Notes to Financial Statement

June 30, 2022

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The District is obligated to pay an employee, who accumulated more than 50 days of sick leave prior to June 30, 2005, \$80 per day for each accrued day above 50 days when the individual leaves the District. An individual has the option of cashing out his/her accumulated days prior to leaving the District. This option has to be made between June 1st and July 1st of the year prior to the year the option is exercised. Annually, the District will pay out \$40,000 on a first come basis in September.

Employees with no accumulated days above 50 or were hired after June 30, 2005 will not receive any compensation for accumulated leave up to 80 days. The District is obligated to pay an employee \$50 per day up to 10 days for an individual that has accumulated more than 80 sick days in a year. This payment will be made by June 30th of each year.

### **Vacation**

The District's contracts state that accumulated vacation must be taken by the end of the contract date or the time will be lost.

### **Sick**

Clerical and custodial (classified) employees will be credited with 10 days sick leave on the first day of the fiscal year. Unused leave will be accumulated to a maximum of 50 days. All other classified employees will be credited with 7 days sick leave. Unused leave will be accumulated to a maximum of 35 days.

### **Universal**

Full-time (certified) employees will be credited with 15 days of universal leave on the first day of the fiscal year. Unused leave will be accumulated to a maximum of 80 days.

### **Sick Leave Bank**

The District has a sick leave bank to provide an extension of sick leave beyond normal sick leave provided by the Board for cases of serious and extended illness of District employees. At the beginning of each school year, the Board shall provide such sick leave as is necessary to establish a balance of 130 days in the bank. No employee may draw from the bank until the individual's sick leave is exhausted. Request for permission to draw from the bank must be made in writing to the Superintendent no later than seven calendar days from the date the sick leave is exhausted. No employee shall be permitted to draw from the bank more sick leave than he/she shall have accumulated. The sick leave bank will not be extended for illness of a family member or an employee's time off to tend to a family member.

## **NOTE 13 – SUBSEQUENT EVENTS**

On October 3, 2022, the District Board approved to accept a bid for \$1,597,500 to replace the turf and track. The District is still working on obtaining financing from multiple sources.

On October 4, 2022, the District gifted \$101,304 of Orr Scholarship Funds to USD 431 Education Foundation to establish the Orr Scholarship for the USD 431 Education Foundation Designated Fund with Golden Belt Community Foundation. The purpose of this fund is to provide fund one or more scholarships to be given in the name of the Orr Scholarship.

## **NOTE 14 – LONG-TERM DEBT**

**Unified School District No. 431 Hoisington, Kansas** has the following types of long-term debt.

### **Lease Obligations**

On July 17, 2008, the District entered into a lease agreement with Kansas Bank for \$1,196,250. Annual payments of \$111,464 began in the 2009 fiscal year. The lease agreement is for energy conservation measures as agreed to with TAC Americas, Inc. on May 21, 2008. Although the Kansas Cash Basis Act requires lease agreements to be annually renewable and/or subject to annual appropriation of funds, the provisions of the cash basis law and K.S.A. 79-2925 and amendments thereto, do not apply to any

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Notes to Financial Statement

June 30, 2022

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contract or lease-purchase agreement entered into for the financing of energy conservation measures. As such, this lease agreement is not subject to annual appropriation of funds.

### **General Obligation Bonds**

On November 18, 2015, the District issued \$9,490,000 in General Obligation Refunding Bonds – Series 2015-A for the purpose of (a) constructing, furnishing and equipping a new Lincoln Elementary School, (b) renovate existing District facilities, including parking and security improvements, (c) making all other necessary improvements appurtenant thereto (collective, the “Project”) and (d) pay costs of issuance and interest on said general obligation bonds of the District during construction of the Project. (They were also issued for the purpose of providing funds for the partial refunding of the District’s General Obligation Refunding Bonds – Series 2005-A.)

On July 21, 2016, the District issued \$6,480,000 in General Obligation Refunding Bonds – Series 2016-A for the purpose of (a) constructing, furnishing and equipping a new Lincoln Elementary School, (b) renovate existing District facilities, including parking and security improvements, (c) making all other necessary improvements appurtenant thereto (collective, the “Project”) and (d) pay costs of issuance and interest on said general obligation bonds of the District during construction of the Project. (They were also issued for the purpose of providing funds for the partial refunding of the District’s General Obligation Refunding Bonds – Series 2005-A.)

On June 10, 2021, the District issued \$8,455,000 in General Obligation Refunding Bonds – Series 2021-A for the purpose of providing funds for the partial refunding of the District’s General Obligation Refunding Bonds – Series 2015-A.



**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

Notes to Financial Statement

June 30, 2022

Changes in long-term liabilities for the District for the year ended June 30, 2022, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>									
Series 2015-A	3.0% to 4.0%	11/18/15	\$ 9,490,000	09/01/40	\$ 1,195,000	-	(225,000)	<b>970,000</b>	32,475
Series 2016-A	2.0% to 3.0%	07/21/16	6,480,000	09/01/40	5,840,000	-	(215,000)	<b>5,625,000</b>	163,938
Series 2021	0.3% to 2.8%	06/10/21	8,455,000	09/01/40	8,455,000	-	(180,000)	<b>8,275,000</b>	142,087
<b>Total General Obligation Bonds</b>					15,490,000	-	(620,000)	<b>14,870,000</b>	338,500
<b>Lease Obligations</b>									
Energy Conservation Lease	4.51%	07/17/08	1,196,250	07/17/23	306,353	-	(199,699)	<b>106,654</b>	23,229
<b>Total Contractual Indebtedness</b>					<u>\$ 15,796,353</u>	<u>-</u>	<u>(819,699)</u>	<u><b>14,976,654</b></u>	<u>361,729</u>

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

		YEAR							Total	
		2023	2024	2025	2026	2027	2028-2032	2033-2037		2038-2041
Principal										
General Obligation Bonds	\$	620,000	635,000	650,000	665,000	680,000	3,665,000	4,195,000	3,760,000	14,870,000
Lease Obligations		106,654	-	-	-	-	-	-	-	106,654
Total Principal		726,654	635,000	650,000	665,000	680,000	3,665,000	4,195,000	3,760,000	14,976,654
Interest										
General Obligation Bonds		379,549	366,008	351,839	336,781	321,443	1,317,781	786,418	214,134	4,073,953
Lease Obligations		4,810	-	-	-	-	-	-	-	4,810
Total Interest		384,359	366,008	351,839	336,781	321,443	1,317,781	786,418	214,134	4,078,763
Total Principal and Interest		\$ 1,111,013	1,001,008	1,001,839	1,001,781	1,001,443	4,982,781	4,981,418	3,974,134	19,055,417

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

Regulatory-Required Supplementary Information

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2022

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Type Funds</b>						
<b>General Funds</b>						
General Fund	\$ 6,937,115	(427,305)	-	6,509,810	<b>6,502,081</b>	(7,729)
Supplemental General Fund	2,150,439	(132,363)	-	2,018,076	<b>2,013,546</b>	(4,530)
<b>Special Purpose Funds</b>						
Capital Outlay Fund	744,000	-	-	744,000	<b>492,841</b>	(251,159)
Driver Training Fund	21,600	-	-	21,600	<b>8,516</b>	(13,084)
Professional Development Fund	40,200	-	-	40,200	<b>16,202</b>	(23,998)
Food Service Fund	617,663	-	-	617,663	<b>614,171</b>	(3,492)
Special Education Fund	1,574,584	-	-	1,574,584	<b>1,268,005</b>	(306,579)
Vocational Education Fund	464,500	-	-	464,500	<b>401,538</b>	(62,962)
KPERs Special Retirement Contribution Fund	782,969	-	-	782,969	<b>667,234</b>	(115,735)
At Risk/4 Year Fund	79,200	-	-	79,200	<b>79,011</b>	(189)
At Risk/K-12 Fund	956,500	-	-	956,500	<b>634,218</b>	(322,282)
Bilingual Education Fund	-	-	-	-	-	-
Gifts and Grants Fund	99,880	-	-	99,880	<b>89,174</b>	(10,706)
Recreation Commission Fund	218,270	-	-	218,270	<b>207,081</b>	(11,189)
Recreation Commission Employee Benefits Fund	23,897	-	-	23,897	<b>23,897</b>	-
<b>Bond and Interest Fund</b>						
Bond and Interest Fund	958,501	-	-	958,501	<b>958,500</b>	(1)

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 3,052	7,755	-	7,755
Intergovernmental Revenues				
Equalization Aid	5,433,762	5,597,312	5,636,592	(39,280)
Special Education Fund	840,059	834,958	1,300,523	(465,565)
Other State Aid	1,000	2,000	-	2,000
Federal Aid	200	-	-	-
Other Local Sources				
Reimbursements	69,802	60,056	-	60,056
<b>Total Receipts</b>	6,347,875	6,502,081	6,937,115	(435,034)
<b>Expenditures</b>				
Instruction	1,630,628	1,623,787	1,715,422	(91,635)
Student Support Services	186,586	242,787	207,700	35,087
Instructional Support Services	252,789	389,810	275,000	114,810
General Administration	208,286	243,503	214,300	29,203
School Administration	639,651	712,215	739,800	(27,585)
Central Services	108,074	113,163	108,000	5,163
Operations and Maintenance	750,884	756,874	806,420	(49,546)
Vehicle Operating Services	187,770	202,997	208,400	(5,403)
Transfers Out	2,384,597	2,216,945	2,662,073	(445,128)
Adjustment to Comply with Legal Max	-	-	(427,305)	427,305
<b>Total Expenditures</b>	6,349,265	6,502,081	6,509,810	(7,729)
<b>Receipts Over (Under) Expenditures</b>	(1,390)	-		
<b>Unencumbered Cash - Beginning</b>	1,390	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 871,624	<b>891,111</b>	930,618	(39,507)
Intergovernmental Revenues				
Equalization Aid	1,060,429	<b>1,121,647</b>	1,195,214	(73,567)
<b>Total Receipts</b>	1,932,053	<b>2,012,758</b>	<u>2,125,832</u>	<u>(113,074)</u>
<b>Expenditures</b>				
Instruction	1,693,595	<b>1,791,558</b>	1,936,470	(144,912)
Transfers Out	203,755	<b>221,988</b>	213,969	8,019
Adjustment to Comply with Legal Max	-	-	(132,363)	132,363
<b>Total Expenditures</b>	1,897,350	<b>2,013,546</b>	<u>2,018,076</u>	<u>(4,530)</u>
<b>Receipts Over (Under) Expenditures</b>	34,703	<b>(788)</b>		
<b>Unencumbered Cash - Beginning</b>	66,085	<b>100,788</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>100,788</u>	<u><b>100,000</b></u>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Contingency Reserve Fund**  
 Schedule 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
<b>Receipts</b>		
Transfers In	\$ 118,908	46,322
<b>Expenditures</b>		
Operations and Maintenance	63,468	-
<b>Receipts Over (Under) Expenditures</b>	55,440	46,322
<b>Unencumbered Cash - Beginning</b>	631,496	686,936
<b>Unencumbered Cash - Ending</b>	\$ 686,936	733,258

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

## 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		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 292,264	<b>293,181</b>	276,872	16,309
Intergovernmental Revenues				
State Aid	119,582	<b>134,975</b>	136,158	(1,183)
Other Local Sources				
Interest on Idle Funds	3,868	<b>3,037</b>	-	3,037
Reimbursements	24,155	<b>141,976</b>	-	141,976
Insurance Reimbursements	-	<b>11,539</b>	-	11,539
Transfers In	229,188	<b>90,303</b>	31,000	59,303
<b>Total Receipts</b>	669,057	<b>675,011</b>	444,030	230,981
<b>Expenditures</b>				
Instruction	109,082	<b>96,158</b>	214,000	(117,842)
Operations and Maintenance	450,174	<b>371,272</b>	450,000	(78,728)
Transportation	-	-	80,000	(80,000)
Vehicle Operating Services	72,502	<b>25,411</b>	-	25,411
Other Support Services	1,164	-	-	-
<b>Total Expenditures</b>	632,922	<b>492,841</b>	744,000	(251,159)
<b>Receipts Over (Under) Expenditures</b>	36,135	<b>182,170</b>		
<b>Unencumbered Cash - Beginning</b>	624,931	<b>661,066</b>		
<b>Unencumbered Cash - Ending</b>	\$ 661,066	<b>843,236</b>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

		Current Year		
	Prior Year Actual	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 5,100	<b>8,935</b>	6,600	2,335
Other Local Sources				
Fees	7,830	<b>6,090</b>	-	6,090
Transfers In	6,000	-	6,000	(6,000)
<b>Total Receipts</b>	<u>18,930</u>	<u><b>15,025</b></u>	<u><u>12,600</u></u>	<u><u>2,425</u></u>
<b>Expenditures</b>				
Instruction	15,157	<b>7,529</b>	16,100	(8,571)
Vehicle Operating Services	<u>1,539</u>	<u><b>987</b></u>	<u>5,500</u>	<u>(4,513)</u>
<b>Total Expenditures</b>	<u>16,696</u>	<u><b>8,516</b></u>	<u><u>21,600</u></u>	<u><u>(13,084)</u></u>
<b>Receipts Over (Under) Expenditures</b>	2,234	<b>6,509</b>		
<b>Unencumbered Cash - Beginning</b>	<u>47,584</u>	<u><b>49,818</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u><u>49,818</u></u>	<u><u><b>56,327</b></u></u>		



**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 2,979	-	-	-
Other Local Sources				
Transfers In	-	-	50,000	(50,000)
Miscellaneous	-	<b>549</b>	-	549
<b>Total Receipts</b>	2,979	<b>549</b>	<u>50,000</u>	<u>(49,451)</u>
<b>Expenditures</b>				
Instructional Support Services	23,512	<b>16,202</b>	<u>40,200</u>	<u>(23,998)</u>
<b>Receipts Over (Under) Expenditures</b>	(20,533)	<b>(15,653)</b>		
<b>Unencumbered Cash - Beginning</b>	62,531	<b>41,998</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>41,998</u>	<u><b>26,345</b></u>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

		Current Year		
	Prior Year Actual	<b>Actual</b>	Budget	Variance Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
Federal Aid	\$ 547,144	<b>611,623</b>	552,012	59,611
State Aid	5,951	<b>4,535</b>	3,901	634
Other Local Sources				
Lunch Receipts	31,724	<b>21,661</b>	404	21,257
Transfers In	5,501	-	100,000	(100,000)
<b>Total Receipts</b>	590,320	<b>637,819</b>	656,317	(18,498)
<b>Expenditures</b>				
Operations and Maintenance	42,745	<b>47,347</b>	55,528	(8,181)
Food Service Operations	538,722	<b>566,824</b>	562,135	4,689
<b>Total Expenditures</b>	581,467	<b>614,171</b>	617,663	(3,492)
<b>Receipts Over (Under) Expenditures</b>	8,853	<b>23,648</b>		
<b>Unencumbered Cash - Beginning</b>	171,916	<b>180,769</b>		
<b>Unencumbered Cash - Ending</b>	\$ 180,769	<b>204,417</b>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental Revenues				
Federal Aid	\$ -	<b>13,034</b>	-	13,034
Other Local Sources				
Reimbursements	64,155	<b>45,479</b>	-	45,479
Transfers In	1,200,000	<b>1,034,958</b>	1,300,524	(265,566)
<b>Total Receipts</b>	1,264,155	<b>1,093,471</b>	<u>1,300,524</u>	<u>(220,087)</u>
<b>Expenditures</b>				
Instruction	1,208,116	<b>1,237,160</b>	1,250,000	(12,840)
Vehicle Operating Services	27,798	<b>30,845</b>	324,584	(293,739)
<b>Total Expenditures</b>	1,235,914	<b>1,268,005</b>	<u>1,574,584</u>	<u>(306,579)</u>
<b>Receipts Over (Under) Expenditures</b>	28,241	<b>(174,534)</b>		
<b>Unencumbered Cash - Beginning</b>	245,819	<b>274,060</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>274,060</u>	<u><b>99,526</b></u>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Vocational 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	<u>Actual</u>	Budget	Variance Over (Under)
<b>Receipts</b>				
Other Local Sources				
Perkins Reimbursement	\$ 3,622	<b>2,611</b>	-	2,611
Transfers In	400,000	<b>242,518</b>	400,000	(157,482)
<b>Total Receipts</b>	403,622	<b>245,129</b>	400,000	(154,871)
<b>Expenditures</b>				
Instruction	412,122	<b>399,965</b>	463,500	(63,535)
Student Support Services	-	<b>791</b>	-	791
Central Services	870	<b>782</b>	1,000	(218)
<b>Total Expenditures</b>	412,992	<b>401,538</b>	464,500	(62,962)
<b>Receipts Over (Under) Expenditures</b>	(9,370)	<b>(156,409)</b>		
<b>Unencumbered Cash - Beginning</b>	165,779	<b>156,409</b>		
<b>Unencumbered Cash - Ending</b>	\$ 156,409	<b>-</b>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Textbook Rental Fund**  
 Schedule 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
<b>Receipts</b>		
Other Local Sources		
Book Rental Fees	\$ 23,693	25,316
iPad Rental Fees	16,908	21,186
iPad Repair Fees	4,095	2,201
<b>Total Receipts</b>	44,696	48,703
<b>Expenditures</b>		
Textbooks	15,886	62,325
<b>Receipts Over (Under) Expenditures</b>	28,810	(13,622)
<b>Unencumbered Cash - Beginning</b>	47,472	76,282
<b>Unencumbered Cash - Ending</b>	\$ 76,282	62,660

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 647,081	<b>667,234</b>	782,969	(115,735)
<b>Expenditures</b>				
Instruction	452,957	<b>467,063</b>	485,969	(18,906)
Student Support Services	19,412	<b>20,017</b>	27,000	(6,983)
Instructional Support Services	19,412	<b>20,017</b>	30,000	(9,983)
General Administration	12,942	<b>13,345</b>	30,000	(16,655)
School Administration	51,767	<b>53,379</b>	65,000	(11,621)
Central Services	12,942	<b>13,345</b>	30,000	(16,655)
Operations and Maintenance	32,354	<b>33,362</b>	45,000	(11,638)
Student Transportation Services	19,412	<b>20,017</b>	30,000	(9,983)
Food Service Operations	25,883	<b>26,689</b>	40,000	(13,311)
<b>Total Expenditures</b>	647,081	<b>667,234</b>	782,969	(115,735)
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

## At Risk/4 Year 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		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>	\$ -	-	-	-
<b>Expenditures</b>				
Instruction	57,846	<b>79,011</b>	79,200	(189)
<b>Receipts Over (Under) Expenditures</b>	(57,846)	<b>(79,011)</b>		
<b>Unencumbered Cash - Beginning</b>	165,185	<b>107,339</b>		
<b>Unencumbered Cash - Ending</b>	\$ 107,339	<b>28,328</b>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Other Local Sources				
Transfers In	\$ 628,755	<b>1,024,832</b>	957,518	67,314
<b>Expenditures</b>				
Instruction	433,152	<b>435,699</b>	448,500	(12,801)
Student Support Services	187,564	<b>198,519</b>	208,000	(9,481)
Other Support Services	-	-	300,000	(300,000)
<b>Total Expenditures</b>	620,716	<b>634,218</b>	956,500	(322,282)
<b>Receipts Over (Under) Expenditures</b>	8,039	<b>390,614</b>		
<b>Unencumbered Cash - Beginning</b>	196,980	<b>205,019</b>		
<b>Unencumbered Cash - Ending</b>	\$ 205,019	<b>595,633</b>		



**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS****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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>	\$ -	-	-	-
<b>Expenditures</b>	-	-	-	-
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	791	<b>791</b>		
<b>Unencumbered Cash - Ending</b>	\$ 791	<b>791</b>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Gifts and Grants 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		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 47,570	<b>47,550</b>	47,500	50
Federal Aid	30,081	<b>65,019</b>	47,500	17,519
Other Local Sources				
Contributions and Other Grants	7,630	<b>7,935</b>	-	7,935
<b>Total Receipts</b>	85,281	<b>120,504</b>	95,000	25,504
<b>Expenditures</b>				
Instruction	95,284	<b>85,077</b>	99,880	(14,803)
Operations and Maintenance	-	<b>4,097</b>	-	4,097
<b>Total Expenditures</b>	95,284	<b>89,174</b>	99,880	(10,706)
<b>Receipts Over (Under) Expenditures</b>	(10,003)	<b>31,330</b>		
<b>Unencumbered Cash - Beginning</b>	14,858	<b>4,855</b>		
<b>Unencumbered Cash - Ending</b>	\$ 4,855	<b>36,185</b>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Title I Fund**  
 Schedule 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
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 158,733	117,890
<b>Expenditures</b>		
Instruction	147,704	154,145
<b>Receipts Over (Under) Expenditures</b>	11,029	(36,255)
<b>Unencumbered Cash - Beginning</b>	-	11,029
<b>Unencumbered Cash - Ending</b>	\$ 11,029	(25,226)

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Title IIA Fund**  
 Schedule 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
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 21,321	19,163
<b>Expenditures</b>		
Instruction	20,269	18,130
School Administration	970	1,115
<b>Total Expenditures</b>	21,239	19,245
<b>Receipts Over (Under) Expenditures</b>	82	(82)
<b>Unencumbered Cash - Beginning</b>	-	82
<b>Unencumbered Cash - Ending</b>	\$ 82	-

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Title IVA Fund**  
 Schedule 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
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 16,091	6,410
<b>Expenditures</b>		
Instruction	11,197	19,755
Student Support Services	564	-
<b>Total Expenditures</b>	11,761	19,755
<b>Receipts Over (Under) Expenditures</b>	4,330	(13,345)
<b>Unencumbered Cash - Beginning</b>	-	4,330
<b>Unencumbered Cash - Ending</b>	\$ 4,330	(9,015)

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 194,490	<b>195,524</b>	<u>206,745</u>	<u>(11,221)</u>
<b>Expenditures</b>				
Community Service Operations	<u>200,000</u>	<b>207,081</b>	<u>218,270</u>	<u>(11,189)</u>
<b>Receipts Over (Under) Expenditures</b>	(5,510)	<b>(11,557)</b>		
<b>Unencumbered Cash - Beginning</b>	<u>17,067</u>	<b>11,557</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>11,557</u>	<u>-</u>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Recreation Commission Employee Benefits 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		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 24,187	<b>24,411</b>	<u>23,636</u>	<u>775</u>
<b>Expenditures</b>				
Community Service Operations	<u>23,897</u>	<u><b>23,897</b></u>	<u>23,897</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	290	<b>514</b>		
<b>Unencumbered Cash - Beginning</b>	<u>2,162</u>	<u><b>2,452</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>2,452</u>	<u><b>2,966</b></u>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Federal Funds Fund**  
 Schedule 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
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid - SPARKS	\$ 187,890	-
Federal Aid - ESSER I	110,419	-
Federal Aid - ESSER II	-	<b>429,265</b>
<b>Total Receipts</b>	<b>298,309</b>	<b>429,265</b>
<b>Expenditures</b>		
Instruction	119,799	<b>182,102</b>
Student Support Services	17,808	<b>247,517</b>
Operations and Maintenance	4,247	-
Vehicle Operating Services	79	<b>203</b>
<b>Total Expenditures</b>	<b>141,933</b>	<b>429,822</b>
<b>Receipts Over (Under) Expenditures</b>	156,376	<b>(557)</b>
<b>Unencumbered Cash - Beginning</b>	<b>(156,376)</b>	-
<b>Unencumbered Cash - Ending</b>	<b>\$ -</b>	<b>(557)</b>



**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 479,136	<b>490,714</b>	473,537	17,177
Intergovernmental Revenues				
State Aid	401,764	<b>469,665</b>	469,665	-
Other Local Sources				
Bond Proceeds	8,455,000	-	-	-
<b>Total Receipts</b>	9,335,900	<b>960,379</b>	943,202	17,177
<b>Expenditures</b>				
Principal	588,775	<b>620,000</b>	620,000	-
Interest	324,325	<b>338,500</b>	338,501	(1)
Transfer to Escrow Fund	8,306,722	-	-	-
Costs of Issuance	63,728	-	-	-
Underwriter's Discount	84,550	-	-	-
<b>Total Expenditures</b>	9,368,100	<b>958,500</b>	958,501	(1)
<b>Receipts Over (Under) Expenditures</b>	(32,200)	<b>1,879</b>		
<b>Unencumbered Cash - Beginning</b>	1,204,670	<b>1,172,470</b>		
<b>Unencumbered Cash - Ending</b>	\$ 1,172,470	<b>1,174,349</b>		

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**Scholarship Fund**  
 Schedule 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
<b>Receipts</b>		
Other Local Sources		
Interest on Idle Funds	\$ 684	<b>684</b>
<b>Expenditures</b>		
Scholarships	684	<b>684</b>
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	97,500	<b>97,500</b>
<b>Unencumbered Cash - Ending</b>	\$ 97,500	<b>97,500</b>

## UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

## Agency Funds

## Summary of Receipts and Disbursements

## Regulatory Basis

For the Year Ended June 30, 2022

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>Student Organizations</b>				
Cheerleaders	\$ 1,741	7,946	8,192	<b>1,495</b>
Class of 2021	1,571	-	1,571	-
Class of 2022	938	1,438	2,376	-
Class of 2023	2,607	7,187	6,371	<b>3,423</b>
Class of 2024	5,060	2,925	1,900	<b>6,085</b>
Class of 2025	1,413	3,110	2,051	<b>2,472</b>
Class of 2026	-	3,614	675	<b>2,939</b>
Class of 2027	-	1,495	1,478	<b>17</b>
Danceline	2,846	3,040	4,264	<b>1,622</b>
Entrepreneurship	2,488	22,029	20,560	<b>3,957</b>
FCCLA	8,775	22,987	26,012	<b>5,750</b>
FBLA	5,160	23,618	20,192	<b>8,586</b>
GAL'S Club	2,705	3,042	2,213	<b>3,534</b>
Gift Account	1,379	195	867	<b>707</b>
H-Club	17,471	24,942	18,332	<b>24,081</b>
HFL	855	1,933	1,987	<b>801</b>
Kays	992	4,812	4,581	<b>1,223</b>
Lincoln	10,170	36,669	32,129	<b>14,710</b>
Middle School	18,876	19,301	19,074	<b>19,103</b>
Music - Band	596	1,723	1,796	<b>523</b>
Music - Vocal	1,257	2,911	3,587	<b>581</b>
National Honor Society	161	175	-	<b>336</b>
Petty Cash	-	12,774	12,162	<b>612</b>
Pep Club	28	-	-	<b>28</b>
Roosevelt	14,993	30,457	33,194	<b>12,256</b>
Sr. High	4,142	339	1,390	<b>3,091</b>
Stuco	2,011	390	655	<b>1,746</b>
Video Production	2,904	-	-	<b>2,904</b>
Yearbook	13,395	6,966	10,483	<b>9,878</b>
Student Scholarship Fund	2,505	250	600	<b>2,155</b>
<b>Total Student Organizations</b>	<b>\$ 127,039</b>	<b>246,268</b>	<b>238,692</b>	<b>134,615</b>

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
**District Activity Funds**  
Schedule of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2022

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<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<b>Gate Receipts</b>							
Athletics	\$ 2,008	-	61,775	63,318	465	-	465

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

Single Audit Information

**INDEPENDENT AUDITORS' 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**

To the Board of Education  
**Unified School District No. 431 Hoisington, Kansas**  
Hoisington, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 431 Hoisington, Kansas**, as of and for the year ended June 30, 2022, and the related notes to the financial statement, and have issued our report thereon dated January 9, 2023. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive 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 **Unified School District No. 431 Hoisington, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 431 Hoisington, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 431 Hoisington, Kansas'** 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Unified School District No. 431 Hoisington, Kansas**' financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### **Unified School District No. 431 Hoisington, Kansas' Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on **Unified School District No. 431 Hoisington, Kansas**' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Unified School District No. 431 Hoisington, Kansas**' response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**ADAMSBROWN, LLC**

Certified Public Accountants

Great Bend, Kansas

January 9, 2023

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

To the Board of Education  
**Unified School District No. 431 Hoisington, Kansas**  
Hoisington, Kansas

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

**Opinion on Each Major Federal Program**

We have audited **Unified School District No. 431 Hoisington, Kansas'** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 431 Hoisington, Kansas'** major federal programs for the year ended June 30, 2022. **Unified School District No. 431 Hoisington, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Unified School District No. 431 Hoisington, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the 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 **Unified School District No. 431 Hoisington, Kansas** 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 **Unified School District No. 431 Hoisington, Kansas'** 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 provisions of contracts or grant agreements applicable to **Unified School District No. 431 Hoisington, Kansas'** federal programs.



### Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Unified School District No. 431 Hoisington, Kansas'** 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 **Unified School District No. 431 Hoisington, Kansas'** 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 **Unified School District No. 431 Hoisington, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Unified School District No. 431 Hoisington, Kansas'** 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 **Unified School District No. 431 Hoisington, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

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

### Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on **Unified School District No. 431 Hoisington, Kansas'** response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. **Unified School District No. 431 Hoisington, Kansas'** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response

### Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on **Unified School District No. 431 Hoisington, Kansas'** response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. **Unified School District No. 431 Hoisington, Kansas'** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



**ADAMSBROWN, LLC**  
Certified Public Accountants  
Great Bend, Kansas

January 9, 2023

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

## Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

<u>Federal Grantor/ Pass Through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass Through Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Passed Through Kansas State Department of Education			
<b>Child Nutrition Cluster</b>			
Covid-19 Funds - National School Lunch Program (NSLP)	10.555	D0431	\$ 530
National School Lunch Program (NSLP)	10.555	D0431	451,453
School Breakfast Program (SBP)	10.553	D0431	111,390
Summer Food Service Program for Children (SFSP)	10.559	D0431	47,636
<b>Total Child Nutrition Cluster</b>			<u>611,009</u>
Covid-19 Pandemic EBT Administrative Costs Grants	10.649	D0431	<u>614</u>
<b>Total U.S. Department of Agriculture</b>			<u>611,623</u>
<b>U.S. Department of Education</b>			
Passed Through Kansas State Department of Education			
Supporting Effective Instruction State Grants	84.367	D0431	19,245
Title I Grants to Local Educational Agencies	84.010	D0431	154,145
Student Support and Academic Enrichment Program	84.424	D0431	19,755
Covid-19 Funds - Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425D	D0431	<u>442,857</u>
<b>Total U.S. Department of Education</b>			<u>636,002</u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through Kansas State Department of Education			
Temporary Assistance for Needy Families (TANF)	93.558	D0431	<u>65,019</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,312,644</u></b>

Note - There were no awards made to subrecipients for the year ended June 30, 2022.

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

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

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 431 Hoisington, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 – INDIRECT COST RATE**

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**NOTE 3 – OTHER EXPENDITURES**

The District did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees, and incurred no expenditures in relation thereof for the year ended June 30, 2022.

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued on whether the financial statement was prepared in accordance with a special framework that is not in compliance with GAAP.

Unmodified

Internal control over financial reporting:

- |   |                   |     |                   |               |
|---|-------------------|-----|-------------------|---------------|
| • Material weakness identified?                         | <u>    X    </u>  | Yes | <u>          </u> | No            |
| • Significant deficiency identified?                    | <u>          </u> | Yes | <u>    X    </u>  | None reported |
| • Noncompliance material to financial statements noted? | <u>          </u> | Yes | <u>    X    </u>  | No            |

**FEDERAL AWARDS**

Internal control over major programs:

- |  |                   |     |                   |               |
|--|-------------------|-----|-------------------|---------------|
| • Material weakness identified?        | <u>          </u> | Yes | <u>    X    </u>  | No            |
| • Significant deficiencies identified? | <u>    X    </u>  | Yes | <u>          </u> | None reported |

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

Yes     X     No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
Child Nutrition Cluster	
10.555	National School Lunch Program (NSLP)
10.559	Summer Food Service Program for Children (SFSP)
10.553	School Breakfast Program (SBP)

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

Auditee qualified as low-risk auditee?            Yes     X     No

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

**2022-001**

Criteria or specific requirement

Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition

Proper segregation of duties does not exist in the accounting system.

Context

We determined, through inquiry and documentation of the District's internal controls, that there is a failure to properly segregate duties for the financial reporting process.

Cause

The District is unable to hire additional personnel due to its size.

Effect

Management may not become aware of problems or irregularities in a timely manner.

Recommendation

Procedures should be established and implemented to segregate duties in the receipts and expenditures cycles and strengthen internal controls. Also, involvement by the Board can mitigate the risk of errors or fraud. The Board should remain involved in the financial affairs of the District to provide oversight and independent review functions.

Views of responsible officials

See Corrective Action Plan.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**SIGNIFICANT DEFICIENCY**

**2022-002 – Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Reporting**

Criteria or specific requirement

Reimbursement for meals served is determined by applying the applicable meals times rates formula. Proper documentation should be maintained to support any meals served.

Condition

The District did not maintain adequate record-keeping to support the number of meals served.

Context

During testing of the Child Nutrition Cluster, it was discovered that, of the two months tested, twelve meal counts did not contain adequate or matching support for the number of meals served. This resulted in total questioned costs of \$1,809.

Cause

Due to record-keeping errors, several meal counts contained conflicting information as to the correct number of meals served. In addition, several meal counts did not show sufficient evidence to support the totals noted.

**UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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Effect

Proper documentation was not maintained, and potentially inaccurate meal counts were submitted to the State and reimbursed.

Recommendation

We recommend that the District review its controls related to meal counts to ensure that they are properly counted and documented.

Views of responsible officials

See Corrective Action Plan.



# Unified District 431 Barton County

Patrick Crowdis  
Superintendent of Schools

165 West Third  
Hosington, KS 67544  
Telephone (620) 653-4134  
Fax (620) 653-4073

## ATTENDANCE CENTERS

Hosington High School  
Hosington Middle School  
Lincoln Elementary  
Roosevelt Elementary

## Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2022

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### SECTION II – FINANCIAL STATEMENT FINDINGS

#### 2021-001 – Segregation of Duties

##### Condition

Proper segregation of duties does not exist in the accounting system.

##### Corrective Actions

The District implements segregation of duties wherever possible, given its size.

##### Status

Repeat Finding. See 2022-001.

### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.