

HALSTEAD-BENTLEY
UNIFIED SCHOOL DISTRICT NO. 440

HALSTEAD, KANSAS

Financial Statement

For the Year Ended June 30, 2022

Halstead-Bentley
Unified School District No. 440

For the Year Ended June 30, 2022

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
 <u>Financial Section</u>	
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	Statement 1 4
Notes to Financial Statement	5-11
 <u>Regulatory – Required Supplementary Information</u>	
Summary of Expenditures – Actual and Budget – Regulatory Basis	Schedule 1 12
Schedules of Receipts and Expenditures – Actual and Budget – Regulatory Basis	Schedule 2
General Funds	13-14
Special Purpose Funds	15-29
Bond and Interest Funds	30-31
Summary of Receipts and Disbursements – Regulatory Basis	Schedule 3
Agency Funds	32-33
Schedule of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	Schedule 4
District Activity Funds	34
 <u>Other Supplementary Information</u>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	35-36
Independent Auditor's Report on Compliance for the Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	37-38
Schedule of Expenditures of Federal Awards	39
Notes to the Schedule of Expenditures of Federal Awards	40
Schedule of Findings and Questioned Costs	41-42

INDEPENDENT AUDITOR'S REPORT

Board of Education
Halstead-Bentley Unified School District No. 440
Halstead, 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. 440, Halstead, Kansas, (District), as of and for the year ended June 30, 2022, and the related disclosures 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 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 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 2022 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of 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 2022 basic financial statement, but 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 2022 basic financial statement. The 2022 information has been subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 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 the District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated November 5, 2021, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/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 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 2022 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the basic financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement of the District.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2022, 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.

Krudsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
October 6, 2022

Halstead-Bentley Unified School District No. 440

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
General Funds							
General	\$ -	-	6,588,162	6,588,162	-	-	-
Supplemental General	75,261	-	1,971,218	2,010,696	35,783	-	35,783
Special Purpose Funds							
At Risk (K-12)	400,000	-	690,405	745,973	344,432	-	344,432
4 Year Old At Risk	-	-	96,849	96,849	-	-	-
Bilingual Education	-	-	3,417	3,417	-	-	-
Capital Outlay	1,510,904	17,305	628,137	272,624	1,883,722	-	1,883,722
Driver Training	32,570	-	9,899	17,359	25,110	-	25,110
Food Service	112,422	-	591,650	469,696	234,376	-	234,376
Professional Development	53,661	-	150	32,501	21,310	-	21,310
Parent Education	-	-	8,500	8,500	-	-	-
Special Education	521,543	-	1,234,982	1,236,467	520,058	-	520,058
Career and Postsecondary Education	1,600	-	170,000	171,600	-	-	-
Gifts and Grants	110	-	39,009	45,000	(5,881)	-	(5,881)
KPERS Special Retirement Contribution	-	-	699,465	699,465	-	-	-
Contingency Reserve	547,000	-	-	-	547,000	-	547,000
Student Health Initiative	4,314	-	-	-	4,314	-	4,314
Student Material Revolving	89,976	-	39,357	28,131	101,202	-	101,202
After School Program	14,566	-	63,802	56,119	22,249	-	22,249
Little Dragon Preschool	14,303	-	54,438	36,936	31,805	-	31,805
Federal and State Government Programs							
Improving Basic Programs Operated by Local Educational Agencies (Title I)	-	-	123,209	123,209	-	-	-
Supporting Effective Instruction Program (Title II)	-	-	21,665	21,665	-	-	-
Student Support Academic Enrichment Program (Title IV)	-	-	16,008	16,008	-	-	-
Elementary and Secondary School Emergency Relief Fund II	-	-	-	-	-	-	-
KDHE COVID Testing Grant	-	-	8,564	8,564	-	-	-
Back to School Backpacks	2,497	-	3,372	3,083	2,786	-	2,786
Bond and Interest Fund							
Bond and Interest	1,651,193	-	960,338	899,598	1,711,933	-	1,711,933
Bond Redemption	4,848	-	-	4,848	-	-	-
District Activity Funds							
Activity Gate Receipts	44,531	-	131,156	122,184	53,503	-	53,503
School Projects	25,342	-	43,853	46,865	22,330	-	22,330
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 5,106,641</u>	<u>17,305</u>	<u>14,197,605</u>	<u>13,765,519</u>	<u>5,556,032</u>	<u>-</u>	<u>5,556,032</u>
Composition of Cash							
The Halstead Bank							
Checking							\$ 4,875,199
Petty Cash							1,500
Debit Card							3,500
Activity Funds							
Elementary School							16,488
Middle School							39,320
High School							75,810
Certificates of Deposit							
District							600,000
High School Activity Fund							6,479
Total Cash							5,618,296
Less Agency Funds (Schedule 3)							62,264
Total Reporting Entity (excluding Agency Funds)							<u>\$ 5,556,032</u>

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

Halstead-Bentley Unified School District No. 440

NOTES TO FINANCIAL STATEMENT

June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Halstead-Bentley Unified School District No. 440, Halstead, Kansas, is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Halstead-Bentley Unified School District No. 440 (District), a municipality.

Regulatory Basis Fund Types

General Fund – used to account for all resources except those required to be accounted for in another fund.

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

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.

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

Activity Fund – under provisions of K.S.A. 72-1178, the Board of Education adopted a resolution relating to the school activity funds which results in the activity funds being accounted for under policies and procedures of the Board.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Funds, Special Purpose Funds (unless specifically exempted by statute), and the Bond and Interest Fund. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

NOTES TO FINANCIAL STATEMENT

June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District held a revenue neutral rate hearing on September 13, 2021.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. During the year the General, 4 Year Old At Risk, At Risk (K-12) and Special Education funds were amended.

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

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

A legal operating budget is not required for Agency Funds or the following Special Purpose Funds: Contingency Reserve, Student Health Initiative, Student Material Revolving, After School Program, Kansas Reading Roadmap, Little Dragon Preschool, Federal and State Government Programs, Back to School Backpacks, and District Activities.

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.

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 comparison, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The Gifts and Grants Fund reflects a negative ending unencumbered cash balance of (\$3,449) for the year ending June 30, 2022. K.S.A. 10-1116a provides that under certain situations, a fund can end the year with a negative unencumbered cash balance and therefore, be exempt from the cash basis law of the State of Kansas. This fund met the criteria under the statute, and is therefore, deemed to not be in violation of the Kansas cash basis law.

Halstead-Bentley Unified School District No. 440

NOTES TO FINANCIAL STATEMENT

June 30, 2022

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, 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 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. All deposits were legally secured at June 30, 2022.

At June 30, 2022, the District's carrying amount of deposits was \$5,618,296 and the bank balance was \$6,159,759. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$5,909,759 was collateralized with securities held by the pledging financial institution's agents in the District's name.

4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$361,178 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.

5. OPERATING LEASES

The District entered into an operating lease agreement for copiers for a period up to 63 months. Payments totaling \$23,114, including overage charges, were made during the year ended June 30, 2022. Under the current lease agreement, the future scheduled minimum payments are as follows:

2023	\$ 12,713
2024	12,713
2025	6,357

Halstead-Bentley Unified School District No. 440

NOTES TO FINANCIAL STATEMENT

June 30, 2022

6. LONG-TERM DEBT

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
General Obligation Bonds									
Series 2020, Refunding	1.0-3.0%	07/07/20	\$ 6,010,000	02/01/28	\$ 6,010,000	-	815,000	5,195,000	84,598
Capital Lease Obligation									
Equipment lease	3.897%	07/15/11	1,321,062	07/30/25	507,744	-	93,937	413,807	19,786
Total contractual indebtedness					<u>\$ 507,744</u>	<u>-</u>	<u>908,937</u>	<u>5,608,807</u>	<u>104,384</u>

Current maturities of long-term debt and interest for the next six years through maturity are as follows:

	Year ended June 30						Total
	2023	2024	2025	2026	2027	2028	
Principal							
General Obligation Bonds	\$ 835,000	845,000	860,000	870,000	885,000	900,000	5,195,000
Capital Lease Obligation	97,597	101,401	105,352	109,457	-	-	413,807
Total principal	<u>932,597</u>	<u>946,401</u>	<u>965,352</u>	<u>979,457</u>	<u>885,000</u>	<u>900,000</u>	<u>5,608,807</u>
Interest							
General Obligation Bonds	72,140	59,456	46,584	33,522	20,272	6,795	238,769
Capital Lease Obligation	16,126	12,323	8,371	4,266	-	-	41,086
Total interest	<u>88,266</u>	<u>71,779</u>	<u>54,955</u>	<u>37,788</u>	<u>20,272</u>	<u>6,795</u>	<u>279,855</u>
Total principal and interest	<u>\$ 1,020,863</u>	<u>1,018,180</u>	<u>1,020,307</u>	<u>1,017,245</u>	<u>905,272</u>	<u>906,795</u>	<u>5,888,662</u>

7. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	At Risk (K-12)	K.S.A. 72-5167	\$ 526,131
General	4 Year Old At Risk	K.S.A. 72-5167	96,849
General	Capital Outlay	K.S.A. 72-5167	47,212
General	Parent Education	K.S.A. 72-5167	8,500
General	Special Education	K.S.A. 72-5167	734,982
General	Career and Postsecondary Education	K.S.A. 72-5167	18,537
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	164,274
Supplemental General	Bilingual Education	K.S.A. 72-5143	3,417
Supplemental General	Special Education	K.S.A. 72-5143	500,000
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	149,772
Bond Redemption	Bond and Interest	Resolution 0622	4,848

8. OTHER LONG TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a

Halstead-Bentley Unified School District No. 440

NOTES TO FINANCIAL STATEMENT

June 30, 2022

8. OTHER LONG TERM OBLIGATIONS FROM OPERATIONS (Continued)

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, with a 0% moratorium for the period July 1, 2021 through June 30, 2022.

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Each retiree pays the full amount of the applicable premium.

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.

Compensated Absences

The District's personnel policies grant compensated absences in the form of vacation and sick days for each school year. Classified full-time employees earn ten days of paid vacation upon completion of one year of employment. From two through ten years of service, eleven days of paid vacation is earned. After ten years of service, classified employees earn sixteen days of paid vacation per year. Vacation days are not cumulative. Unused vacation time is paid to employees upon termination. Certified employees earn no vacation.

Current employees who work 30 hours or more per week earn sick days at the rate of one (1) day per month of contract, rounded to the nearest month. All employees who work less than 30 hours per week will receive five (5) days of sick leave per year. Employees can accumulate up to ninety (90) days of sick leave. Unused sick leave is not paid to employees upon termination.

The District's liability for compensated absences at June 30, 2022, has not been recorded in this financial statement.

9. DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et. seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for

NOTES TO FINANCIAL STATEMENT

June 30, 2022

9. DEFINED BENEFIT PENSION PLAN (Continued)

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, with a 0% moratorium for the period July 1, 2021 through June 30, 2022) was 15.59% and 14.23%, respectively, for the fiscal year ended June 30, 2021. The actuarially determined employer contribution rate and statutory contribution rate was 14.83% and 13.33% for the fiscal year ended June 30, 2022.

Senate Substitute for House Bill 2052 authorized the delay of \$64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of \$6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of \$194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of \$19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of \$56 million was paid in fiscal year 2018. This bill also authorized 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 \$699,465 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 \$5,391,127. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

10. RISK MANAGEMENT

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations,

NOTES TO FINANCIAL STATEMENT

June 30, 2022

10. RISK MANAGEMENT (Continued)

The District may be required to reimburse the grantor government. As of the date of this report, not all grant expenditures have been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

The District 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 purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2021 to 2022, and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the District is exposed to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material financial impact on the District.

11. CORONAVIRUS PANDEMIC

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020 the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for the fiscal year ended June 30, 2022.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the District to assist with the risks and help offset incurred costs of the District.

12. DATE OF MANAGEMENT'S REVIEW

Management has performed an analysis of the activities and transactions subsequent to June 30, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through October 6, 2022, which is the date at which the financial statement was available to be issued.

HALSTEAD-BENTLEY
UNIFIED SCHOOL DISTRICT NO. 440

HALSTEAD, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

Halstead-Bentley Unified School District No. 440
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)
GENERAL FUNDS						
General	\$ 6,687,226	(103,389)	4,325	6,588,162	6,588,162	-
Supplemental General	2,010,696	-		2,010,696	2,010,696	-
SPECIAL PURPOSE FUNDS						
At Risk (K-12)	840,700	-	-	840,700	745,973	(94,727)
4 Year Old At Risk	96,849			96,849	96,849	-
Bilingual Education	3,820			3,820	3,417	(403)
Capital Outlay	1,575,000			1,575,000	272,624	(1,302,376)
Driver Training	36,500			36,500	17,359	(19,141)
Food Service	572,500			572,500	469,696	(102,804)
Professional Development	53,661			53,661	32,501	(21,160)
Parent Education	8,597			8,597	8,500	(97)
Special Education	1,811,303			1,811,303	1,236,467	(574,836)
Career and Postsecondary Education	171,600			171,600	171,600	-
Gifts and Grants	45,000			45,000	45,000	-
KPER Special Retirement Contribution	765,295			765,295	699,465	(65,830)
BOND AND INTEREST FUND	899,598			899,598	899,598	-

Halstead-Bentley Unified School District No. 440

General Funds

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)
GENERAL				
RECEIPTS				
General state aid	\$ 5,599,226	5,848,855	5,897,466	(48,611)
Special education state aid	642,536	734,982	789,760	(54,778)
Reimbursements and other	3,962	4,325	-	4,325
Total receipts	6,245,724	6,588,162	6,687,226	(99,064)
EXPENDITURES				
Instruction	3,074,057	2,950,970	2,921,411	29,559
Student support services	89,854	117,763	111,000	6,763
Instructional support services	132,510	170,389	190,200	(19,811)
General administration	223,103	194,586	210,600	(16,014)
School administration	542,444	542,073	542,000	73
Operations and maintenance	831,701	720,847	914,000	(193,153)
Student transportation services	200,448	280,234	254,975	25,259
Other support services	166,522	179,089	182,300	(3,211)
Transfer to				
At Risk (K-12)	76,327	526,131	526,131	-
4 Year Old At Risk	46,777	96,849	44,849	52,000
Capital Outlay	142,709	47,212	-	47,212
Parent Education	8,597	8,500	-	8,500
Special Education	642,536	734,982	789,760	(54,778)
Career and Postsecondary Education	68,139	18,537	-	18,537
	6,245,724	6,588,162	6,687,226	(99,064)
Adjustment to comply with legal max	-	-	(103,389)	103,389
Legal General Fund budget	6,245,724	6,588,162	6,583,837	4,325
Adjustment for qualifying budget credits	-	-	4,325	(4,325)
Total expenditures	6,245,724	6,588,162	6,588,162	-
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	\$ -	-		

Halstead-Bentley Unified School District No. 440

General Funds**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)
SUPPLEMENTAL GENERAL				
RECEIPTS				
Tax in process	\$ 74,211	18,814	20,997	(2,183)
Current tax	677,003	727,321	-	727,321
Delinquent tax	13,903	8,092	11,551	(3,459)
Vehicle tax	89,853	100,516	99,627	889
Mineral tax	780	740	-	740
State aid	1,055,679	1,115,735	1,115,735	-
Total receipts	1,911,429	1,971,218	1,247,910	723,308
EXPENDITURES				
Instruction	62,489	117,511	75,000	42,511
Student support services	152,096	201,283	222,876	(21,593)
Instructional support staff	3,215	8,387	-	8,387
General administration	1,230	-	-	-
School administration	3,519	17,494	-	17,494
Operations and maintenance	499,737	749,372	447,000	302,372
Student transportation services	-	-	250,000	(250,000)
Other supplemental services	114,500	99,186	40,000	59,186
Transfer to				
At Risk (K-12)	492,333	164,274	250,000	(85,726)
4 Year Old At Risk	5,767	-	52,000	(52,000)
Bilingual Education	4,449	3,417	3,820	(403)
Special Education	500,000	500,000	500,000	-
Career and Postsecondary Education	73,821	149,772	170,000	(20,228)
	1,913,156	2,010,696	2,010,696	-
Adjustment to comply with legal max	-	-	-	-
Total expenditures	1,913,156	2,010,696	2,010,696	-
Receipts over (under) expenditures	(1,727)	(39,478)		
UNENCUMBERED CASH, beginning	76,988	75,261		
UNENCUMBERED CASH, ending	\$ 75,261	35,783		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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)
AT RISK (K-12)				
RECEIPTS				
Transfer from				
General	\$ 76,327	526,131	526,131	-
Supplemental General	492,333	164,274	250,000	(85,726)
Total receipts	568,660	690,405	776,131	(85,726)
EXPENDITURES				
Instruction	442,863	590,530	677,000	(86,470)
Student support services	124,693	155,443	163,700	(8,257)
Total expenditures	567,556	745,973	840,700	(94,727)
Receipts over (under) expenditures	1,104	(55,568)		
UNENCUMBERED CASH, beginning	398,896	400,000		
UNENCUMBERED CASH, ending	\$ 400,000	344,432		
4 YEAR OLD AT RISK				
RECEIPTS				
Transfer from				
General	\$ 46,777	96,849	44,849	52,000
Supplemental General	5,767	-	52,000	(52,000)
Total receipts	52,544	96,849	96,849	-
EXPENDITURES				
Salaries and benefits	52,544	96,849	96,849	-
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	\$ -	-		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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)
BILINGUAL EDUCATION				
RECEIPTS				
Transfer from				
Supplemental General	\$ 4,449	3,417	3,820	(403)
Total receipts	4,449	3,417	3,820	(403)
EXPENDITURES				
Instruction	4,449	3,417	3,820	(403)
Total expenditures	4,449	3,417	3,820	(403)
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	\$ -	-		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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)
CAPITAL OUTLAY				
RECEIPTS				
Tax in process	\$ 7,439	7,220	8,362	(1,142)
Current tax	281,472	337,537	328,718	8,819
Delinquent tax	5,458	3,278	4,444	(1,166)
Vehicle tax	48,132	39,257	39,033	224
Mineral tax	300	342	-	342
Interest	5,416	20,376	-	20,376
Grants and other	42,143	-	-	-
State aid	135,481	172,915	173,195	(280)
Transfer from General	142,709	47,212	-	47,212
Total receipts	668,550	628,137	553,752	74,385
EXPENDITURES				
Instruction	54,261	10,482	75,000	(64,518)
Student support services	742	15,306	-	15,306
Instruction staff support	-	-	250,000	(250,000)
General administration	9,685	-	40,000	(40,000)
School administration	-	6,465	40,000	(33,535)
Student transportation	151,932	142,067	195,000	(52,933)
Operations and maintenance	283,688	98,304	465,000	(366,696)
Site improvement	-	-	510,000	(510,000)
Total expenditures	500,308	272,624	1,575,000	(1,302,376)
Receipts over (under) expenditures	168,242	355,513		
UNENCUMBERED CASH, beginning	1,342,662	1,510,904		
Prior year cancelled encumbrance	-	17,305		
UNENCUMBERED CASH, ending	\$ 1,510,904	1,883,722		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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 Over (Under)
DRIVER TRAINING				
RECEIPTS				
State aid	\$ 4,182	5,124	5,520	(396)
Other	6,900	4,775	-	4,775
Total receipts	11,082	9,899	5,520	4,379
EXPENDITURES				
Salaries and benefits	13,433	16,300	36,500	(20,200)
Equipment and furnishings	416	1,059	-	1,059
Total expenditures	13,849	17,359	36,500	(19,141)
Receipts over (under) expenditures	(2,767)	(7,460)		
UNENCUMBERED CASH, beginning	35,337	32,570		
UNENCUMBERED CASH, ending	\$ 32,570	25,110		
FOOD SERVICE				
RECEIPTS				
Lunch and breakfast sales	\$ 11,445	8,001	11,160	(3,159)
Federal aid	459,313	578,621	488,136	90,485
State aid	4,477	3,848	2,860	988
Other	1,220	1,180	-	1,180
Total receipts	476,455	591,650	502,156	89,494
EXPENDITURES				
Salaries and benefits	228,266	211,559	268,000	(56,441)
Food and supplies	215,347	250,971	288,500	(37,529)
Equipment	13,440	7,166	16,000	(8,834)
Total expenditures	457,053	469,696	572,500	(102,804)
Receipts over (under) expenditures	19,402	121,954		
UNENCUMBERED CASH, beginning	93,020	112,422		
UNENCUMBERED CASH, ending	\$ 112,422	234,376		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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)
PROFESSIONAL DEVELOPMENT				
RECEIPTS				
State aid	\$ 3,309	150	-	150
EXPENDITURES				
Salaries and benefits	4,361	8,172	6,250	1,922
Purchased services and other	10,975	24,329	47,411	(23,082)
Total expenditures	15,336	32,501	53,661	(21,160)
Receipts over (under) expenditures	(12,027)	(32,351)		
UNENCUMBERED CASH, beginning	65,688	53,661		
UNENCUMBERED CASH, ending	\$ 53,661	21,310		
PARENT EDUCATION				
RECEIPTS				
Transfer from General	\$ 8,597	8,500	-	8,500
EXPENDITURES				
Purchased services and other	8,597	8,500	8,597	(97)
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	\$ -	-		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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	
SPECIAL EDUCATION				
RECEIPTS				
Federal Aid	\$ 9,437	-	-	-
Transfer from				
General	642,536	734,982	789,760	(54,778)
Supplemental General	500,000	500,000	500,000	-
Total receipts	1,151,973	1,234,982	1,289,760	(54,778)
EXPENDITURES				
Salaries and benefits	42,384	54,797	298,124	(243,327)
Purchased services	4,617	1,669	5,000	(3,331)
Supplies and other	9,220	12,613	20,000	(7,387)
Transportation	5,926	-	-	-
Tuition	1,068,283	1,167,388	1,488,179	(320,791)
Total expenditures	1,130,430	1,236,467	1,811,303	(574,836)
Receipts over (under) expenditures	21,543	(1,485)		
UNENCUMBERED CASH, beginning	500,000	521,543		
UNENCUMBERED CASH, ending	\$ 521,543	520,058		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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)
CAREER AND POSTSECONDARY EDUCATION				
RECEIPTS				
Federal aid	\$ 1,885	-	-	-
Other	2,394	1,691	-	1,691
Transfer from				
General	68,139	18,537	-	18,537
Supplemental General	73,821	149,772	170,000	(20,228)
Total receipts	146,239	170,000	170,000	-
EXPENDITURES				
Salaries and benefits	129,364	136,508	171,600	(35,092)
Tuition and other	15,275	35,092	-	35,092
Total expenditures	144,639	171,600	171,600	-
Receipts over (under) expenditures	1,600	(1,600)		
UNENCUMBERED CASH, beginning	-	1,600		
UNENCUMBERED CASH, ending	\$ 1,600	-		
GIFTS AND GRANTS				
RECEIPTS				
Pre-K Pilot Grant (CIF)	\$ 22,500	22,500	22,500	-
Pre-K Pilot Grant (TANF)	27,600	16,409	22,500	(6,091)
Contributions and other	60	100	-	100
Total receipts	50,160	39,009	45,000	(5,991)
EXPENDITURES				
Instruction	50,100	45,000	45,000	-
Receipts over (under) expenditures	60	(5,991)		
UNENCUMBERED CASH, beginning	50	110		
UNENCUMBERED CASH, ending	\$ 110	(5,881)		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**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)
KPERS SPECIAL RETIREMENT CONTRIBUTION				
RECEIPTS				
State aid	\$ 662,593	699,465	765,295	(65,830)
EXPENDITURES				
Instruction	421,165	468,641	443,922	24,719
Instructional support	54,384	34,973	82,000	(47,027)
General administration	28,022	27,979	34,800	(6,821)
School administration	56,597	62,952	63,950	(998)
Central services	7,591	-	17,000	(17,000)
Operations & maintenance	49,971	55,957	57,296	(1,339)
Student transportation services	23,166	20,984	34,327	(13,343)
Food service	21,697	27,979	32,000	(4,021)
Total expenditures	662,593	699,465	765,295	(65,830)
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	\$ -	-		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL**
Regulatory Basis

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
CONTINGENCY RESERVE		
RECEIPTS	\$ -	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>547,000</u>	<u>547,000</u>
UNENCUMBERED CASH, ending	<u><u>\$ 547,000</u></u>	<u><u>547,000</u></u>
 STUDENT HEALTH INITIATIVE		
RECEIPTS	\$ -	-
EXPENDITURES	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>4,314</u>	<u>4,314</u>
UNENCUMBERED CASH, ending	<u><u>\$ 4,314</u></u>	<u><u>4,314</u></u>
 STUDENT MATERIAL REVOLVING		
RECEIPTS		
Fees	<u>\$ 39,836</u>	<u>39,357</u>
EXPENDITURES		
Textbooks	15,507	21,714
Other	4,758	6,367
Materials and supplies	<u>1,011</u>	<u>50</u>
Total expenditures	<u><u>21,276</u></u>	<u><u>28,131</u></u>
Receipts over (under) expenditures	18,560	11,226
UNENCUMBERED CASH, beginning	<u>71,416</u>	<u>89,976</u>
UNENCUMBERED CASH, ending	<u><u>\$ 89,976</u></u>	<u><u>101,202</u></u>

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL**
Regulatory Basis

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
AFTER SCHOOL PROGRAM		
RECEIPTS		
Other	\$ 50,717	63,802
EXPENDITURES		
Salaries and benefits	<u>38,604</u>	<u>56,119</u>
Receipts over (under) expenditures	12,113	7,683
UNENCUMBERED CASH, beginning	<u>2,453</u>	<u>14,566</u>
UNENCUMBERED CASH, ending	<u>\$ 14,566</u>	<u>22,249</u>
KANSAS READING ROADMAP		
RECEIPTS		
Grant funds	<u>\$ 39,923</u>	<u>-</u>
EXPENDITURES		
Instruction	26,771	-
Student transportation	<u>1,977</u>	<u>-</u>
Total expenditures	<u>28,748</u>	<u>-</u>
Receipts over (under) expenditures	11,175	-
UNENCUMBERED CASH, beginning	<u>(11,175)</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>
LITTLE DRAGON PRESCHOOL		
RECEIPTS		
Tuition	<u>\$ 72,318</u>	<u>54,438</u>
EXPENDITURES		
Salaries and benefits	73,573	35,594
Other	<u>720</u>	<u>1,342</u>
Total expenditures	<u>74,293</u>	<u>36,936</u>
Receipts over (under) expenditures	(1,975)	17,502
Unencumbered cash, beginning	<u>16,278</u>	<u>14,303</u>
Unencumbered cash, ending	<u>\$ 14,303</u>	<u>31,805</u>

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL**
Regulatory Basis

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
FEDERAL AND STATE GOVERNMENT PROGRAMS		
IMPROVING BASIC PROGRAMS OPERATED BY		
LOCAL EDUCATIONAL AGENCIES (TITLE I)		
RECEIPTS		
Federal aid	\$ 126,635	123,209
EXPENDITURES		
Salaries and benefits	124,504	120,443
Supplies and other	2,131	2,766
Total expenditures	<u>126,635</u>	<u>123,209</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>
SUPPORTING EFFECTIVE INSTRUCTION		
PROGRAM (TITLE II)		
RECEIPTS		
Federal aid	\$ 25,161	21,665
EXPENDITURES		
Salaries and benefits	11,906	10,000
Supplies and other	13,255	11,665
Total expenditures	<u>25,161</u>	<u>21,665</u>
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ending	<u>\$ -</u>	<u>-</u>

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL**
Regulatory Basis

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
FEDERAL AND STATE GOVERNMENT PROGRAMS		
STUDENT SUPPORT ACADEMIC ENRICHMENT		
PROGRAM (TITLE IV)		
RECEIPTS		
Federal aid	\$ 15,253	16,008
EXPENDITURES		
Salaries and benefits	6,000	5,159
Supplies and other	9,253	10,849
Total expenditures	15,253	16,008
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	\$ -	-
ELEMENTARY & SECONDARY SCHOOL EMERGENCY		
RELIEF FUND (ESSER I)		
RECEIPTS		
Federal aid	\$ 95,221	-
EXPENDITURES		
Salaries and benefits	22,506	-
Equipment and maintenance	36,334	-
Supplies and other	36,381	-
Total expenditures	95,221	-
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	\$ -	-

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL****Regulatory Basis**

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
FEDERAL AND STATE GOVERNMENT PROGRAMS		
ELEMENTARY & SECONDARY SCHOOL EMERGENCY		
RELIEF FUND (ESSER II)		
RECEIPTS		
Federal aid	\$ -	180,551
EXPENDITURES		
Salaries and benefits	-	120,307
Equipment and maintenance	-	6,574
Instruction support services		
Operation and maintenance		
Supplies and other	-	53,670
Total expenditures	-	180,551
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	\$ -	-
 STRENGTHENING PEOPLE AND REVITALIZING		
KANSAS (SPARK)		
RECEIPTS		
Federal aid	\$ 487,032	-
EXPENDITURES		
Salaries and benefits	57,037	-
Equipment and maintenance	379,758	-
Supplies and other	50,237	-
Total expenditures	487,032	-
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	\$ -	-

Halstead-Bentley Unified School District No. 440

Special Purpose Funds**SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL****Regulatory Basis**

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
FEDERAL AND STATE GOVERNMENT PROGRAMS		
KDHE COVID TESTING GRANT		
RECEIPTS		
Federal and state grants	\$ -	8,564
EXPENDITURES		
Salaries and benefits	-	8,564
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL

Regulatory Basis

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
BACK TO SCHOOL BACKPACKS		
RECEIPTS		
Donations	\$ 3,290	3,372
EXPENDITURES		
Supplies and other	<u>4,047</u>	<u>3,083</u>
Receipts over (under) expenditures	(757)	289
UNENCUMBERED CASH, beginning	<u>3,254</u>	<u>2,497</u>
UNENCUMBERED CASH, ending	<u><u>\$ 2,497</u></u>	<u><u>2,786</u></u>

Halstead-Bentley Unified School District No. 440

Bond and Interest FundsSCHEDULE 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		Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
BOND AND INTEREST				
RECEIPTS				
Tax in process	\$ 11,801	11,423	12,960	(1,537)
Current tax	444,661	444,575	432,873	11,702
Delinquent tax	8,260	4,861	7,016	(2,155)
Vehicle tax	64,995	62,372	61,886	486
Mineral tax	474	452	-	452
State aid	296,135	431,807	431,807	-
Transfer from Bond Redemption	-	4,848	-	4,848
Total receipts	826,326	960,338	946,542	13,796
EXPENDITURES				
Principal	490,000	815,000	815,000	-
Interest	153,773	84,598	84,598	-
Total expenditures	643,773	899,598	899,598	-
Receipts over (under) expenditures	182,553	60,740		
UNENCUMBERED CASH, beginning	1,468,640	1,651,193		
UNENCUMBERED CASH, ending	\$ 1,651,193	1,711,933		

Halstead-Bentley Unified School District No. 440

Bond and Interest FundsSCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2022

(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
BOND REDEMPTION		
RECEIPTS		
Bond proceeds	\$ 6,010,000	-
EXPENDITURES		
Redemption payments on 2015 bonds	5,895,000	-
Cost of issuance	110,152	-
Transfer to Bond and Interest	-	4,848
Total expenditures	<u>6,005,152</u>	<u>4,848</u>
Receipts over (under) expenditures	4,848	(4,848)
Unencumbered cash, beginning	-	4,848
Unencumbered cash, ending	<u>\$ 4,848</u>	<u>-</u>

Halstead-Bentley Unified School District No. 440

Agency Funds**SUMMARY OF RECEIPTS AND DISBURSEMENTS**

Regulatory Basis

For the Year Ended June 30, 2022

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
STUDENT ORGANIZATIONS				
High School				
Art	\$ 1,592	-	-	1,592
Cheer	3,644	7,203	8,870	1,977
Chemistry	357	-	-	357
Class of 2018	917	-	-	917
Class of 2021	2,291	-	517	1,774
Class of 2022	193	1,149	791	551
Class of 2023	-	4,560	3,171	1,389
Class of 2024	(56)	1,512	780	676
Color Guard	214	-	-	214
Dance	3,974	12,460	12,382	4,052
Dragon Woods	2,411	-	-	2,411
Dragon Corps	280	-	-	280
Drivers Education	-	4,725	4,725	-
Embroidery	110	-	-	110
Enrollment	5	65	70	-
FACS Revolving	(22)	8	-	(14)
Faculty	60	-	75	(15)
FCA	479	859	582	756
In & Out	-	4,801	4,744	57
Kay	4,167	4,640	5,049	3,758
Library	1,145	-	38	1,107
Marching	820	564	1,373	11
National Honor Society	353	-	-	353
Nutrition & Wellness	52	-	-	52
Petty Cash	3	918	921	-
Printshop	2,714	339	346	2,707
Scholarships	329	275	384	220
Spanish	666	-	-	666
Stand	170	-	-	170
Stuco	972	3,703	1,954	2,721
Stuco CD	1,449	-	-	1,449

Halstead-Bentley Unified School District No. 440

Agency Funds**SUMMARY OF RECEIPTS AND DISBURSEMENTS**

Regulatory Basis

For the Year Ended June 30, 2022

	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
STUDENT ORGANIZATIONS (Continued)				
The Lair	\$ 5,195	2,245	2,022	5,418
Vocal/Tri-M	2,926	1,012	982	2,956
Wood	-	3,562	3,562	-
Total High School	<u>37,410</u>	<u>54,600</u>	<u>53,338</u>	<u>38,672</u>
Middle School	7,112	4,628	3,965	7,775
Grade School	<u>17,289</u>	<u>1,124</u>	<u>2,596</u>	<u>15,817</u>
Total Student Organizations	61,811	60,352	59,899	62,264
SALES TAX	<u>-</u>	<u>7,865</u>	<u>7,865</u>	<u>-</u>
Total Agency Funds	<u>\$ 61,811</u>	<u>68,217</u>	<u>67,764</u>	<u>62,264</u>

Halstead-Bentley Unified School District No. 440

District Activity Funds**SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**

Regulatory Basis

For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
ACTIVITY GATE RECEIPTS						
High School						
Athletics	\$ 26,218	107,056	99,499	33,775	-	33,775
Concessions	5,415	10,493	10,517	5,391	-	5,391
Musicals	2,927	4,088	4,795	2,220	-	2,220
Middle School						
Athletics	9,971	8,713	6,571	12,113	-	12,113
Concessions	-	806	802	4	-	4
Total Activity Gate Receipts	<u>\$ 44,531</u>	<u>131,156</u>	<u>122,184</u>	<u>53,503</u>	<u>-</u>	<u>53,503</u>
SCHOOL PROJECTS						
High School	\$ 3,464	6,423	7,656	2,231	-	2,231
Middle School	21,261	35,970	37,803	19,428	-	19,428
Elementary School	617	1,460	1,406	671	-	671
Total School Projects	<u>\$ 25,342</u>	<u>43,853</u>	<u>46,865</u>	<u>22,330</u>	<u>-</u>	<u>22,330</u>

UNIFIED SCHOOL DISTRICT NO. 440
OTHER SUPPLEMENTARY INFORMATION
SINGLE AUDIT SECTION
FOR THE YEAR ENDED JUNE 30, 2022

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

Board of Education
Halstead-Bentley Unified School District No. 440
Halstead, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Halstead-Bentley Unified School District No. 440, Halstead Kansas (District), as of and for the year ended June 30, 2022, and the related disclosures to the financial statement, and have issued our report thereon dated October 6, 2022. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or 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 or significant deficiencies 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Knudsen, Monroe & Company, LLC

Certified Public Accountants

Newton, Kansas

October 6, 2022

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

Board of Education
Halstead-Bentley Unified School District No. 440
Halstead, Kansas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Halstead-Bentley Unified School District No. 440, Halstead, Kansas' (District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. The District's major federal program is 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 its major federal program for the year ended June 30, 2022.

Basis for Opinion on the 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 the 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 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 the 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 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.

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 these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Krudsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
October 6, 2022

Halstead-Bentley Unified School District No. 440
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

	Assistance	Pass-through	Total
Federal Grantor / Pass-through	Listing	Entity	Federal
<u>Grantor / Program or Cluster Title</u>	<u>Number</u>	<u>Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
COVID-19 National School Breakfast Program	10.553	D0440	\$ 118,525
COVID-19 National School Lunch Program	10.555	D0440	386,330
COVID-19 Child and Adult Care Food Program	10.558	D0440	156
COVID-19 Summer Food Service Program for Children	10.559	D0440	72,996
COVID-19 Pandemic EBT Administrative Costs	10.649	D0440	614
Total U.S. Department of Agriculture			578,621
<u>U.S. Department of Education</u>			
Passed through Kansas Department of Education			
Title I, Grants to Local Educational Agencies	84.010	D0440	123,209
Supporting Effective Instruction	84.367A	D0440	21,725
Student Support and Academic Enrichment Program	84.424A	D0440	16,008
COVID-19 Elementary and Secondary School Emergency Relief Fund I	84.425D	D0440	180,551
Total U.S. Department of Education			341,493
<u>U.S. Department of Health and Human Services</u>			
Passed through Kansas Department of Education			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	D0440	8,564
Temporary Assistance for Needy Families	93.558	D0440	16,409
Total U.S. Department of Health and Human Services			24,973
Total Expenditures of Federal Awards			\$ 945,087

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Halstead-Bentley Unified School District No. 440
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Halstead-Bentley Unified School District No. 440, Halstead, Kansas (District) under programs of the federal government for the year ended June 30, 2022. 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). 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 of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting described in Note 1 to the District's financial statement. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. INDIRECT COST RATE

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

Halstead-Bentley Unified School District No. 440
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified (Regulatory Basis)</u> <u>Adverse - GAAP</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No
Noncompliance material to financial statement noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.558, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs

There were no reportable findings.

Halstead-Bentley Unified School District No. 440
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs

There were no reportable findings.