UNIFIED SCHOOL DISTRICT NUMBER 368
Paola, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2022

UNIFIED SCHOOL DISTRICT NUMBER 368

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 368

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 368 of Paola, Kansas, as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Matters Giving Rise of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 368 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 financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Unified School District Number 368 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 C.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide.* Our responsibility 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 Unified School District Number 368 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.

Matters Giving Rise for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note C of the financial statement, the financial statement is prepared by Unified School District Number 368 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 C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Management's Responsibility for the Financial Statements
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 C to meet the financial reporting requirements of the State of Kansas; 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 Unified School District Number 368 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.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

Auditor's Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about where 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 one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. 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.
3. 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 Unified School District Number 368's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate made by management, as well as evaluate the overall presentation of the financial statement.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Unified School District Number 368 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 control-related matters that we identified during the audit.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, schedule of regulatory basis receipts and expenditures - agency funds, schedule of regulatory basis receipts and expenditures - district activity funds and schedule of regulatory basis receipts and expenditures - endowment (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide.* The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by *Title 2 U.S. code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022 on our consideration of Unified School District Number 368'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District Number 368's internal control over financial reporting and compliance.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Unified School District Number 368 as of and for the year ended June 30, 2021 (not presented herein), and have issued our report dated September 21, 2021, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link http//www.admin.ks.gov/offices//chief-financial-officer/municipal-servidces. 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 basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the 2021 basic financial statement as a whole, on the basis of accounting described in Note C.

Harold K. Mayes Jr

Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Ks. 66067
September 22, 2022

Unified School District Number 368
Paola, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash and Investments	Prior Year Cancelled Encumbrances	Receipts	Expenditures
Governmental Type Funds				
General Funds				
General	$ 0	$ 0	$ 13,501,427	$ 13,501,427
Supplemental General	395,557	0	4,208,853	4,311,988
Special Purpose Funds				
Adult Education	12,675	0	260,142	260,142
Adult Supplementary Education	38,281	0	27,068	12,583
At Risk	760,655	0	1,068,721	1,161,375
Bilingual Education	31,987	0	12,236	12,236
Virtual Education	187,380	0	136,360	93,601
Capital Outlay	2,885,069	0	1,916,424	1,872,424
Driver Training	50,628	0	34,037	36,970
Food Service	177,197	0	1,421,009	1,256,328
Professional Development	122,947	0	6,491	31,209
Parent Education Program	67,017	0	314,136	314,136
Special Education	1,957,910	0	3,490,716	3,334,109
Career and Postsecondary Education	991,061	0	570,930	719,073
Kansas Public Retirement System	0	0	3,454,926	3,454,926
Coop Special Education	2,450,916	0	17,616,546	16,419,782
Special Assessment	26,435	0	1	0
Title I	0	0	359,977	359,977
Title II A-Teacher Quality Improve	0	0	43,040	43,040
Vocational Education-Carl Perkins	0	0	5,242	5,242
Coronavirus Funds	(229,159)	0	1,150,513	1,036,266
Contingency Reserve	967,755	0	0	(19,393)
Student Material Revolving	125,328	0	207,913	216,765
Gate Receipts and User Charges	25,791	0	315,964	297,555
Bond & Interest Funds				
Bond and Interest	4,698,015	0	2,404,073	2,197,137
Business Type Funds				
Health Insurance	331,967	0	3,335,809	3,590,533
Trust Type Funds				
Expendable Trust Funds				
Scholarship and Other Trusts	214,083	0	86,186	63,737
Nonexpendable Trust Funds				
Scholarship	258,094	0	3,232	3,232
Related Municipal Entity				
Endowment Trusts	3,184,909	0	419,955	649,056
Total reporting entity (excluding agency funds)	$ 19,732,498	$ 0	$ 56,371,927	$ 55,235,456

The accompanying notes are an integral part of this financial statement.

Ending Unencumbered Cash and Investments	Add Encumbrances and Accounts Payable	Ending Cash and Investments		
$ 0	$ 74,554	$ 74,554	**Composition of ending cash and investments**	
292,422	298,863	591,285	**Demand Deposits**	
12,675	13,069	25,744	First Option Bank	$ 13,405,754
52,766	815	53,581	Citizens State Bank	6,478,094
668,001	0	668,001	Activity Fund Accounts	264,824
31,987	0	31,987	**Time Deposits**	
230,139	0	230,139	Landmark Bank	200,717
2,929,069	1,414,625	4,343,694	First Option Bank	10,000
47,695	5,748	53,443	First Option Bank	15,400
341,878	22,413	364,291	First Option Bank	31,729
98,229	1,573	99,802	First Option Bank	258,094
67,017	21,099	88,116		20,664,612
2,114,517	0	2,114,517	Less Agency funds	
842,918	704	843,622	per Schedule 3	(220,623)
0	0	0		
3,647,680	34,534	3,682,214		20,443,989
26,436	0	26,436		
0	0	0	Investments	
0	0	0	Stocks and Bonds	
0	0	0	of Endowment Trust	2,955,808
(114,912)	283,449	168,537		
987,148	0	987,148	Total cash and investments	$ 23,399,797
116,476	36,584	153,060		
44,200	0	44,200		
4,904,951	0	4,904,951		
77,243	322,798	400,041		
236,532	0	236,532		
258,094	0	258,094		
2,955,808	0	2,955,808		
$ 20,868,969	$ 2,530,828	$ 23,399,797		

The accompanying notes are an integral part of this financial statement.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2022

NOTE A. MUNICIPAL REPORTING ENTITY

Unified School District Number 368 is a municipal corporation governed by an elected seven-member board. This financial statement presents the Unified School District Number 368 (the municipality). The financial statement includes the municipality and a related municipal entity known as the Endowment.

The Unified School District Number 368 Endowment governing board is a volunteer group. The Endowment receives donations from the public and disburses these funds to eligible students from Paola High School.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the District are organized and operated on the basis of funds. 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 District potential could have the following types of funds.

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

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

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

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

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

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

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

NOTE C. 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 on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Unified School District Number 368 has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2022

NOTE D. 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:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

Senate Bill 13 repealed the tax lid law and introduced the use of a revenue neutral rate with an additional budget hearing required if the proposed tax levy exceeds the revenue neutral rate. These policy changes apply to the 2022 budget cycle. Additional information can be found in the Memo to State of Kansas Subdivisions (2021) at https://admin.ks.gov/offices/oar/municipal-services.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no 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.

Adjustment to Comply with Legal Max – Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max' budget.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital project funds, business funds and trusts:

Title I
Vocational Education – Carl Perkins
Contingency Reserve
Health Insurance
Title IIA
Coronavirus Funds
Student Materials Revolving

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

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2022

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

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 District or in an adjoining District 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 bank 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. The District rates investments (if any) as noted.

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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2022.

At June 30, 2022, the carrying amount of the District's bank deposits was $20,664,612 and the bank balance was $23,449,468. The bank balance was held by four banks reducing concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $701,865 was covered by federal depository insurance and $22,747,603 was collateralized with securities held by the pledging financial institution's agents in the District's name.

The Unified School District Number 368 Endowment has bank deposits of $50,149 and the bank balance was $71,745. The difference between carrying amount and bank balance is outstanding checks and deposits. The balance was held by one bank which increases concentration risk. Of the bank balance $71,745 was covered by federal depository insurance.

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 be adequately secured.

Concentration of credit risk – Endowment investment policy places no limit on the amount the Endowment may invest in any one issuer. The Endowment had the following investments and maturities as of June 30, 2022. Fair value is based upon quoted market values:

Investments - Endowment		Fair	Investment Maturities		Percent of	Rating
Investment Type		Value	Less than 1	2 yrs or more	Investment	U.S.
Money market	$	137,489	$ 137,489	$ 0	0.047	N/A
Bonds		5,975	0	5,975	0.002	S&P A-1+
Mutual funds		2,762,195	2,762,195	0	0.951	S&P A-1+
Total investments		2,905,659	$ 2,899,684	$ 5,975	1.000	
Plus Cash Balance		50,149				
Total	$	2,955,808				

NOTE F. IN-SUBSTANCE PAYMENTS

The District received $512,858 for general fund and $85,759 for supplemental general fund subsequent to June 30, 2022 and is required by K.S.A. 72-5135(d) that the receipt be recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

NOTE G. LONG-TERM DEBT

General Long-Term Debt

Long-term obligations consisted of the following during the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds:				
Series 2014	2% to 5.00%	06/05/14	$ 18,225,000	09/01/28
Series 2016	3%to 4%	11/30/16	6,975,000	09/01/26
Series 2017	3.00%	03/30/17	4,710,000	09/01/26

Changes in long-term liabilities for the Unified School District Number 368 for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions/ Payments	Net Change	Ending Balance	Interest Paid
General Obligation Bonds:						
Series 2014	$ 1,630,000	$ 0	$ 1,355,000	$ (1,355,000)	$ 275,000	$ 32,488
Series 2016	6,265,000	0	250,000	(250,000)	6,015,000	220,250
Series 2017	4,090,000	0	220,000	(220,000)	3,870,000	119,400
	$ 11,985,000	$ 0	$ 1,825,000	$ (1,825,000)	$ 10,160,000	$ 372,138

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

	2023	2024	2025	2026	2027	2028-2029	Total
Principal							
G. O. bonds	$ 1,880,000	$ 1,925,000	$ 2,025,000	$ 2,090,000	$ 2,155,000	$ 85,000	$ 10,160,000
Interest							
G. O. bonds	310,163	240,413	168,437	99,862	35,787	3,194	857,856
Total principal & interest	$ 2,190,163	$ 2,165,413	$ 2,193,437	$ 2,189,862	$ 2,190,787	$ 88,194	$ 11,017,856

The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2022, the statutory limit for the District was $25,661,549. As of June 30, 2022, the District is under the debt margin by $15,501,549.

NOTE G. LONG-TERM DEBT - continued

Operating Leases

The District conducts a portion of its operations utilizing leases for copiers. Lease terms expire at various times. Current year rental payments under operating leases were $19,862. Minimum future rental payments under operating leases as of June 30, 2022 are as follows: for 2023 $19,862; for 2024 $19,862; and for 2025 $1,655.

NOTE H. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education	K.S.A. 72-5167	$ 1,974,828
General Fund	Professional Development	K.S.A. 72-5167	6,491
General Fund	Career and Post Secondary Education	K.S.A. 72-5167	500,000
General Fund	Student Revolving	K.S.A. 72-5167	25,000
General Fund	At-Risk (K-12)	K.S.A. 72-5167	716,000
General Fund	Bilingual	K.S.A. 72-5167	8,355
General Fund	Virtual Education	K.S.A. 72-5167	136,360
Supplemental General Local Option	Parent Education	K.S.A. 72-5143	30,000
Supplemental General Local Option	Special Education	K.S.A. 72-5143	1,401,891
Supplemental General Local Option	At-Risk (K-12)	K.S.A. 72-5143	352,721
Supplemental General Local Option	Bilingual	K.S.A. 72-5143	3,881

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

During the year ended June 30, 2022, employees of the District were covered by the District's medical self-insurance plan ("the plan"). The plan was established October 1, 2004. The District's contribution is $500 per month for a single policy or a family policy per employee. All District employees, at their option, can authorize payroll withholdings to pay non-District provided contributions. Claims are paid by a third party administrator acting on behalf of the District. The plan is documented by contractual agreement.

The administrative contract between the District and the third party administrator is renewable annually and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a commercial insurer licensed and eligible to do business in Kansas in accordance with Kansas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding $110,000 and for aggregate loss, which is limited to $1,000,000 annually. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities are reported when it is probable that claims have been incurred and the amount of liability can be reasonably estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources. The IBNR has been recorded in the Health Insurance Fund:

	2022
Unpaid Claims, July 1	$ 288,744
Incurred claims (including IBNR's)	2,746,760
Claim payments	2,712,706
Unpaid claims, June 30	$ 322,798

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified 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.

Flexible Benefit Plan (I.R.C. Section 125)

The District adopted by resolution a salary-reduction flexible benefit plan (Plan) under section 125 of the Internal Revenue Service Code. All employees of the District are eligible to participate in the plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchases benefits offered through the Plan. Currently, benefits offered through the Plan include health insurance, dependent care coverage and medical reimbursement.

Compensated Absences

The District's policy is to recognize the cost of compensated absences when actually paid. The District's policies regarding sick pay permits employees to accumulate sick leave of 12 days per year or one day per month for those employees whose contract is for 10, 11, or 12 months up to a total accumulation of 100 days. Upon retirement at age 62 (or at age 60 with at least 12 years of experience within the District), certified and classified personnel will be paid for the unused sick leave at the rate of $65 per day. The District's policy also requires reimbursement to staff of $65 per day for each day over the 100 days at the end of the school year.

The costs of accumulated sick leave are not recorded at the time the benefits are accrued. At June 30, 2022 the District paid sick leave pay for employees who will be 62 or older on or before June 30, 2022 or have accumulated in excess of 100 days in the amount of $61,003. The District has not estimated the dollar amount of accumulated sick leave pay for any other group of employees.

Death and Disability Other Post Employment Benefits

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

NOTE J. DEFINED BENEFIT PENSION PLANS

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 publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www/kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

NOTE J. DEFINED BENEFIT PENSION PLANS – continued

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $3,454,926 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 $27,236,604. 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 nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE K. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE L. OTHER INFORMATION

Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20, and distributed to the District by January 20. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws other available funds from the County Treasurer at designated times throughout the year.

Compliance with Kansas Statute

The District is not aware of any violations.

Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund.

However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2022.

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: The District evaluated subsequent events through September 22, 2022, the date the financial statement was available to be issued.

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Required Regulatory Basis
Supplementary Information

Unified School District Number 368
Paola, Kansas

SUMMARY OF EXPENDITURES-ACTUAL AND BUDGET
BUDGETED FUNDS
For the Year Ended June 30, 2022

	Certified Budget	Adjustment to Comply with Legal Max
General Funds		
General Fund	$ 14,319,640	$ (1,116,600)
Supplemental General Local Option	4,560,444	(248,456)
Special Purpose Funds		
Adult Education	261,562	0
Adult Supplementary Education	91,131	0
At risk	2,014,633	0
Bilingual Education	40,652	0
Virtual Education	697,380	0
Capital Outlay	4,042,939	0
Driver Training	75,828	0
Food Service	1,209,574	0
Professional Development	123,048	0
Parent Education Program	381,052	0
Special Education	4,494,722	0
Vocational Education	1,284,729	0
Kansas Public Retirement System	4,474,097	0
Co-op Special Education	19,435,093	0
Special Assessment	26,435	0
Bond & Interest Funds		
Bond and Interest	2,197,137	0

Schedule 1

Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
$ 298,387	$ 13,501,427	$ 13,501,427	$ 0
0	4,311,988	4,311,988	0
0	261,562	260,142	(1,420)
0	91,131	12,583	(78,548)
0	2,014,633	1,161,375	(853,258)
0	40,652	12,236	(28,416)
0	697,380	93,601	(603,779)
0	4,042,939	1,872,424	(2,170,515)
0	75,828	36,970	(38,858)
493,023	1,702,597	1,256,328	(446,269)
0	123,048	31,209	(91,839)
0	381,052	314,136	(66,916)
0	4,494,722	3,334,109	(1,160,613)
0	1,284,729	719,073	(565,656)
0	4,474,097	3,454,926	(1,019,171)
0	19,435,093	16,419,782	(3,015,311)
0	26,435	0	(26,435)
0	2,197,137	2,197,137	0

Unified School District Number 368
Paola, Kansas

Schedule 2a

GENERAL FUNDS
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Reimbursed Expenses	$ 99,876	$ 298,387	$ 0	$ 298,387
State Sources				
Mineral Production Tax	0	59	0	59
General Fund Equalization Aid	11,299,058	11,336,630	11,777,102	(440,472)
Special Education Equalization Aid	2,185,476	1,866,351	2,542,538	(676,187)
Total Cash Receipts	13,584,410	13,501,427	$ 14,319,640	$ (818,213)
Expenditures				
Instruction				
Salaries	5,808,268	5,274,005	$ 4,601,999	$ 672,006
Employee Benefits	915,194	909,304	1,031,000	(121,696)
Supplies	195,163	186,287	207,090	(20,803)
Student Activities	94,228	95,893	90,935	4,958
Student Support Services				
Salaries	273,152	277,209	285,000	(7,791)
Employee Benefits	54,620	57,266	62,300	(5,034)
Supplies	1,904	3,936	3,500	436
Instruction Support Staff				
Salaries	428,554	426,300	448,500	(22,200)
Employee Benefits	29,879	37,454	41,600	(4,146)
Supplies	7,692	8,689	11,326	(2,637)
General Administration				
Salaries	436,044	441,163	460,000	(18,837)
Employee Benefits	67,158	64,302	82,700	(18,398)
Purchased Professional Services	20,963	12,699	25,000	(12,301)
Other	46,888	47,943	56,000	(8,057)
School Administration				
Salaries	861,147	874,300	917,000	(42,700)
Employee Benefits	162,039	173,898	193,700	(19,802)
Operations and Maintenance				
Salaries	0	315,041	550,000	(234,959)
Employee Benefits	55,282	69,071	110,600	(41,529)
Central Services				
Salaries	246,435	251,847	260,000	(8,153)
Other Purchased Services				
Contracting of Bus Service	601,979	607,786	700,000	(92,214)

Unified School District Number 368
Paola, Kansas

Schedule 2a

GENERAL FUNDS
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Expenditures (continued)				
Operating Transfers				
Special Education	$ 2,253,224	$ 1,974,828	$ 2,542,538	$ (567,710)
Professional Development	0	6,491	0	6,491
Vocational Education	0	500,000	0	500,000
Student Revolving	0	25,000	0	25,000
At Risk (K-12)	641,500	716,000	1,138,852	(422,852)
Bilingual	6,567	8,355	0	8,355
Virtual Education	376,530	136,360	500,000	(363,640)
Adjustment to Comply with Legal Maximum	0	0	(1,116,600)	1,116,600
Legal Fund Budget & Expenditures	13,584,410	13,501,427	13,203,040	298,387
Adjustments for Qualifying Budget Credits	0	0	298,387	(298,387)
Total Expenditures	13,584,410	13,501,427	$ 13,501,427	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash (Deficit), July 1,	0	0		
Unencumbered Cash (Deficit), June 30,	$ 0	$ 0		

Unified School District Number 368
Paola, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL LOCAL OPTION 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Property	$ 2,200,833	$ 2,269,370	$ 2,253,933	$ 15,437
Delinquent	42,809	31,610	24,141	7,469
County Sources				
Motor Vehicle	296,062	252,560	331,355	(78,795)
Recreational Vehicle Tax	8,198	7,724	8,833	(1,109)
Commercial Vehicle Tax	14,893	12,052	15,642	(3,590)
State Sources				
Supplemental State Aid	1,855,847	1,635,537	1,729,776	(94,239)
Total Cash Receipts	4,418,642	4,208,853	$ 4,363,680	$ (154,827)
Expenditures				
Instruction				
Supplies	125,018	137,498	$ 130,000	$ 7,498
Student Activities	8,292	30,447	0	30,447
Equipment	9,503	24,355	7,282	17,073
Other	0	0	20,000	(20,000)
General Administration				
Purchased Property Services	139,819	130,362	100,000	30,362
Other Purchased Services	227,647	269,088	260,000	9,088
Operations and Maintenance				
Salaries	722,920	271,507	266,000	5,507
Employee Benefits	74,803	43,302	46,750	(3,448)
Purchased Property Services	217,310	692,924	327,500	365,424
Other Purchased Services	40,809	32,638	44,700	(12,062)
Supplies	641,805	657,480	767,000	(109,520)
Vehicle Operating Services				
Motor Fuel	60,288	92,839	85,000	7,839
Central Services				
Other Purchased Services	115,095	113,811	80,000	33,811
Supplies	(1,160)	1,871	5,000	(3,129)
Property	26,281	25,373	25,000	373
Operating Transfers				
Parent Education Program	30,000	30,000	30,000	0
Special Education	920,643	1,401,891	1,244,867	157,024
At Risk (K-12)	318,892	352,721	375,781	(23,060)

Unified School District Number 368
Paola, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL LOCAL OPTION 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Operating Transfers - continued				
Bilingual	$ 3,485	$ 3,881	$ 8,665	$ (4,784)
Vocational Education	675,000	0	736,899	(736,899)
Adjustment to Comply with Legal Maximum	0	0	(248,456)	248,456
Legal Fund Budget & Expenditures	4,356,450	4,311,988	$ 4,311,988	$ 0
Receipts Over (Under) Expenditures	62,192	(103,135)		
Unencumbered Cash, July 1	333,365	395,557		
Unencumbered Cash, June 30	$ 395,557	$ 292,422		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
ADULT 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)

		2022		
	2021	Actual	Budget	Variance Over (Under)
Cash Receipts				
State Sources				
Adult Basic Aid	$ 64,333	$ 65,442	$ 64,887	$ 555
Federal Sources				
Adult Education Aid	192,181	194,700	184,000	10,700
Other				
Miscellaneous	199	0	0	0
Total Cash Receipts	256,713	260,142	$ 248,887	$ 11,255
Expenditures				
Instruction				
Salaries	135,773	137,819	$ 151,631	$ (13,812)
Employee Benefits	32,953	32,476	38,344	(5,868)
Other Purchased Services	2,063	12,200	1,500	10,700
Supplies	32,085	23,235	11,898	11,337
Student Support Services				
Salaries	18,250	18,631	19,742	(1,111)
Other Purchased Services	2,809	1,764	3,500	(1,736)
General Administration				
Salaries	24,830	25,332	25,332	0
Supplies	2,965	2,822	3,500	(678)
Operation and Maintenance				
Purchased Property Services	0	0	1,800	(1,800)
Supplies	4,985	5,863	4,315	1,548
Total Expenditures	256,713	260,142	$ 261,562	$ (1,420)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	12,675	12,675		
Unencumbered Cash, June 30	$ 12,675	$ 12,675		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
ADULT SUPPLEMENTARY 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Class Fees	$ 1,100	$ 1,365	$ 2,000	$ (635)
Miscellaneous	2,682	1,818	50,850	(49,032)
Reimbursements	3,603	6,972	0	6,972
State Sources				
State Aid	14,052	16,913	0	16,913
Total Cash Receipts	21,437	27,068	$ 52,850	$ (25,782)
Expenditures				
Instruction				
Salaries	16,324	2,209	$ 51,581	$ (49,372)
Employee Benefits	(285)	196	270	(74)
Other Purchased Services	374	1,223	2,500	(1,277)
Supplies	6,231	8,955	36,780	(27,825)
Total Expenditures	22,644	12,583	$ 91,131	$ (78,548)
Receipts Over (Under) Expenditures	(1,207)	14,485		
Unencumbered Cash, July 1	39,488	38,281		
Unencumbered Cash, June 30	$ 38,281	$ 52,766		

Unified School District Number 368
Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
AT RISK FUND (K-12)

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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
General Fund	$ 641,500	$ 716,000	$ 1,138,852	$ (422,852)
Supplemental General	318,892	352,721	375,781	(23,060)
Total Cash Receipts	960,392	1,068,721	$ 1,514,633	$ (445,912)
Expenditures				
Instruction				
Salaries	840,957	1,002,098	$ 1,768,133	$ (766,035)
Employee Benefits	48,814	37,118	65,500	(28,382)
Purchased Professional Services	3,325	1,900	0	1,900
Supplies	71,331	120,259	153,500	(33,241)
Other	0	0	7,500	(7,500)
Student Support Services				
Mental Health Services	17,332	0	20,000	(20,000)
Total Expenditures	981,759	1,161,375	$ 2,014,633	$ (853,258)
Receipts Over (Under) Expenditures	(21,367)	(92,654)		
Unencumbered Cash, July 1	782,022	760,655		
Unencumbered Cash, June 30	$ 760,655	$ 668,001		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
BILINGUAL EDUCATION

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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Supplemental General	$ 3,485	$ 3,881	$ 8,665	$ (4,784)
General Fund	6,567	8,355	0	8,355
Total Cash Receipts	10,052	12,236	$ 8,665	$ 3,571
Expenditures				
Instruction				
Salaries	10,052	12,236	$ 40,652	$ (28,416)
Total Expenditures	10,052	12,236	$ 40,652	$ (28,416)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	31,987	31,987		
Unencumbered Cash, June 30	$ 31,987	$ 31,987		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
VIRTUAL EDUCATION

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)

		2022		
Cash Receipts	2021 Actual	Actual	Budget	Variance Over (Under)
Local Sources				
Miscellaneous	$ 0	$ 0	$ 10,000	$ (10,000)
Operating Transfers				
General Fund	376,530	136,360	500,000	(363,640)
Total Cash Receipts	376,530	$ 136,360	$ 510,000	$ (373,640)
Expenditures				
Instruction				
Other Purchased Services	194,250	$ 93,601	$ 697,380	$ (603,779)
Total Expenditures	194,250	$ 93,601	$ 697,380	$ (603,779)
Receipts Over (Under) Expenditures	182,280	42,759		
Unencumbered Cash, July 1	5,100	187,380		
Unencumbered Cash, June 30	$ 187,380	$ 230,139		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Property	$ 1,336,046	$ 1,447,574	$ 1,360,231	$ 87,343
Delinquent	23,008	18,271	14,679	3,592
Interest	44,719	37,366	300,000	(262,634)
Miscellaneous	7,821	20,861	75,000	(54,139)
County Sources				
Motor Vehicle	164,165	146,156	191,911	(45,755)
Recreational Vehicle	4,549	4,484	5,116	(632)
Commercial Vehicle	8,383	7,204	9,060	(1,856)
State Sources				
State Aid	323,638	234,508	234,620	(112)
Total Cash Receipts	1,912,329	1,916,424	$ 2,190,617	$ (274,193)
Expenditures				
Instruction				
Property	249,612	353,955	$ 3,197,939	$ (2,843,984)
Operation and Maintenance				
Property	1,603,729	1,518,469	835,000	683,469
Facility Acquisition & Construction Services				
Architectural and Engineering Services	4,720	0	10,000	(10,000)
Total Expenditures	1,858,061	1,872,424	$ 4,042,939	$ (2,170,515)
Receipts Over (Under) Expenditures	54,268	44,000		
Unencumbered Cash, July 1	2,830,801	2,885,069		
Unencumbered Cash, June 30	$ 2,885,069	$ 2,929,069		

Unified School District Number 368
Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Driver Education Fees	$ 17,282	$ 23,619	$ 16,800	$ 6,819
State Sources				
State Safety Aid	7,242	8,418	8,400	18
Federal Sources				
Federal Aid	0	2,000	0	2,000
Total Cash Receipts	24,524	34,037	$ 25,200	$ 8,837
Expenditures				
Instruction				
Salaries	0	5,000	$ 0	$ 5,000
Other Purchased Services	19,320	28,000	19,600	8,400
Supplies	5	889	54,228	(53,339)
Operations and Maintenance				
Supplies	1,022	1,081	2,000	(919)
Other Support Services				
Other	0	2,000	0	2,000
Total Expenditures	20,347	36,970	$ 75,828	$ (38,858)
Receipts Over (Under) Expenditures	4,177	(2,933)		
Unencumbered Cash, July 1	46,451	50,628		
Unencumbered Cash, June 30	$ 50,628	$ 47,695		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Student Meal Receipts	$ 25,644	$ 1,281	$ 16,496	$ (15,215)
Adult Meal Receipts	10,645	8,145	154,937	(146,792)
Ala Carte Meals	71,113	82,848	30,000	52,848
Interest	70	112	1,000	(888)
Reimbursements	9,664	14,711	0	14,711
State Sources				
Equalization Aid	10,832	8,772	6,576	2,196
Federal Sources				
Child Nutrition Programs	941,331	1,301,681	823,369	478,312
Other	0	3,459	0	3,459
Total Cash Receipts	1,069,299	1,421,009	$ 1,032,378	$ 388,631
Expenditures				
Food Service Operation				
Salaries	533,885	480,142	$ 551,500	$ (71,358)
Employee Benefits	52,705	48,978	67,000	(18,022)
Other Purchased Services	(1,220)	24,124	4,500	19,624
Supplies	444,793	659,015	379,878	279,137
Property	19,158	29,020	200,196	(171,176)
Other	7,308	15,049	6,500	8,549
Legal Fund Budget & Expenditures	1,056,629	1,256,328	1,209,574	46,754
Adjustments for Qualifying Budget Credits	0	0	493,023	(493,023)
Total Expenditures	1,056,629	1,256,328	$ 1,702,597	$ (446,269)
Receipts Over (Under) Expenditures	12,670	164,681		
Unencumbered Cash, July 1	164,527	177,197		
Unencumbered Cash, June 30	$ 177,197	$ 341,878		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Other	$ 0	$ 0	$ 100	$ (100)
State Sources				
State Aid	8,528	0	0	0
Operating Transfers				
General	0	6,491	0	6,491
Total Cash Receipts	8,528	6,491	$ 0	$ 6,491
Expenditures				
Student Support Services				
Purchased Professional and Technical Services	38,191	31,209	$ 123,048	$ (91,839)
Total Expenditures	38,191	31,209	$ 123,048	$ (91,839)
Receipts Over (Under) Expenditures	(29,663)	(24,718)		
Unencumbered Cash, July 1	152,610	122,947		
Unencumbered Cash, June 30	$ 122,947	$ 98,229		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 21

SPECIAL PURPOSE FUNDS
PARENT EDUCATION PROGRAM 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Other District Payments	$ 100,118	$ 92,655	$ 92,655	$ 0
Other Revenue from Local	5,000	2,100	2,000	100
State Sources				
Parent Education Aid	189,739	189,381	189,381	0
Federal Sources				
Technology for Families Grant	15,714	0	0	0
Operating Transfers				
Supplemental General	30,000	30,000	30,000	0
Total cash receipts	340,571	314,136	$ 314,036	$ 100
Expenditures				
Student Support Services				
Salaries	243,181	247,432	$ 243,075	$ 4,357
Employee Benefits	41,349	37,847	45,675	(7,828)
Other Purchased Services	13,829	15,223	18,800	(3,577)
Supplies	22	14,881	1,400	13,481
Property	1,962	5,618	4,000	1,618
Other	(5,641)	(6,865)	68,102	(74,967)
Total Expenditures	294,702	314,136	$ 381,052	$ (66,916)
Receipts Over (Under) Expenditures	45,869	0		
Unencumbered Cash, July 1	21,148	67,017		
Unencumbered Cash, June 30	$ 67,017	$ 67,017		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Other	$ 94,639	$ 113,997	$ 150,000	$ (36,003)
Federal Sources				
Federal Aid	38,018	0	57,317	(57,317)
Operating Transfers				
General	2,253,224	1,974,828	2,542,538	(567,710)
Supplemental General	920,643	1,401,891	1,244,867	157,024
Total Cash Receipts	3,306,524	3,490,716	$ 3,994,722	$ (504,006)
Expenditures				
Instruction				
Salaries	33,279	19,014	$ 35,000	$ (15,986)
Other Purchased Services	3,172,892	2,873,871	3,252,605	(378,734)
Supplies	256	0	501,000	(501,000)
Vehicle Operating Services				
Employee Benefits	2,546	1,455	3,000	(1,545)
Purchased Property Services	427,142	424,501	683,117	(258,616)
Other Purchased Services	12,133	15,268	15,000	268
Supplies	0	0	5,000	(5,000)
Total Expenditures	3,648,248	3,334,109	$ 4,494,722	$ (1,160,613)
Receipts Over (Under) Expenditures	(341,724)	156,607		
Unencumbered Cash, July 1	2,299,634	1,957,910		
Unencumbered Cash, June 30	$ 1,957,910	$ 2,114,517		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2n

SPECIAL PURPOSE FUNDS
CAREER AND POSTSECONDARY EDUCATION

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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Reimbursements	$ 24,844	$ 70,930	$ 5,000	$ 65,930
Miscellaneous	0	0	30,000	(30,000)
Federal Sources				
Vocational Aid	0	0	12,830	(12,830)
Operating Transfers				
General	0	500,000	0	500,000
Supplemental General	675,000	0	736,899	(736,899)
Total Cash Receipts	699,844	570,930	$ 784,729	$ (213,799)
Expenditures				
Instruction				
Salaries	506,045	501,343	$ 1,030,000	$ (528,657)
Employee Benefits	66,401	74,178	85,500	(11,322)
Purchased Professional & Technical Services	0	0	8,000	(8,000)
Purchased Property Services	0	0	25,000	(25,000)
Other Purchased Services	676	4,017	5,149	(1,132)
Supplies	50,310	53,644	36,500	17,144
Equipment	0	0	4,830	(4,830)
Operations and Maintenance				
Purchased Property Services	2,303	2,750	4,750	(2,000)
Student Transportation				
Other	74,078	83,141	85,000	(1,859)
Total Expenditures	699,813	719,073	$ 1,284,729	$ (565,656)
Receipts Over (Under) Expenditures	31	(148,143)		
Unencumbered Cash, July 1	991,030	991,061		
Unencumbered Cash, June 30	$ 991,061	$ 842,918		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
KANSAS PUBLIC RETIREMENT SYSTEM

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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
State Sources				
State Aid	$ 3,389,467	$ 3,454,926	$ 4,474,097	$ (1,019,171)
Total cash receipts	3,389,467	3,454,926	$ 4,474,097	$ (1,019,171)
Expenditures				
Instruction				
Employee Benefits	2,718,996	2,791,858	$ 3,599,959	$ (808,101)
Student support				
Employee Benefits	182,287	171,635	235,290	(63,655)
Instructional support				
Employee Benefits	59,170	61,259	77,474	(16,215)
General administration				
Employee Benefits	110,996	116,223	144,946	(28,723)
School administration				
Employee Benefits	118,128	124,821	155,389	(30,568)
Other supplemental services				
Employee Benefits	34,423	35,958	44,550	(8,592)
Maintenance				
Employee Benefits	97,965	87,473	121,561	(34,088)
Food service				
Employee Benefits	67,502	65,699	94,928	(29,229)
Total Expenditures	3,389,467	3,454,926	$ 4,474,097	$ (1,019,171)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	0	0		
Unencumbered Cash, June 30	$ 0	$ 0		

Unified School District Number 368
Paola, Kansas

Schedule 2p

SPECIAL PURPOSE FUNDS
CO-OP 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Other Districts Payments	$ 11,146,042	$ 11,700,522	$ 12,100,504	$ (399,982)
USD 368 Payments	2,740,093	2,658,554	3,942,605	(1,284,051)
Interest	6,452	7,317	30,000	(22,683)
Reimbursements	791,834	672,980	0	672,980
State Sources				
Greenbush	400,685	215,317	0	215,317
Federal Sources				
Title VI B	1,833,793	1,938,182	1,861,984	76,198
Medicaid	345,694	423,674	500,000	(76,326)
Total Cash Receipts	17,264,593	17,616,546	$ 18,435,093	$ (818,547)
Expenditures				
Instruction				
Salaries	12,220,534	12,249,290	$ 12,995,000	$ (745,710)
Employee Benefits	1,962,228	2,049,856	2,324,000	(274,144)
Purchased Professional Services	6,778	201,774	304,535	(102,761)
Other Purchased Services	1,002,892	538,380	670,000	(131,620)
Supplies	150,843	217,722	1,578,058	(1,360,336)
Student Support Services				
Salaries	724,638	663,135	850,000	(186,865)
Special Area Administrative Services				
Salaries	341,366	348,167	440,000	(91,833)
Operations and Maintenance				
Purchased Professional Services	10,226	10,385	15,000	(4,615)
Purchased Property Services	667	946	4,000	(3,054)
Other Purchased Services	42,828	48,984	115,000	(66,016)
Vehicle Operating Service				
Other Purchased Services	84,299	61,916	130,500	(68,584)
Supplies	2,148	29,227	9,000	20,227
Total Expenditures	16,549,447	16,419,782	$ 19,435,093	$ (3,015,311)
Receipts Over (Under) Expenditures	715,146	1,196,764		
Unencumbered Cash, July 1	1,735,770	2,450,916		
Unencumbered Cash, June 30	$ 2,450,916	$ 3,647,680		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2q

SPECIAL PURPOSE FUNDS
SPECIAL ASSESSMENT 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)

		2021		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Delinquent Tax	$ 0	$ 1	$ 0	$ 1
Total Cash Receipts	0	1	$ 0	$ 1
Expenditures				
Facilities Acquisition				
Site Improvement Services	0	0	$ 26,435	$ (26,435)
Receipts Over (Under) Expenditures	0	1		
Unencumbered Cash, July 1	26,435	26,435		
Unencumbered Cash, June 30	$ 26,435	$ 26,436		

Unified School District Number 368
Paola, Kansas

Schedule 2r

SPECIAL PURPOSE FUNDS
TITLE I

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)

	2021 Actual	2022 Actual
Cash Receipts		
Federal Sources		
Grant	$ 367,081	$ 359,977
Expenditures		
Instruction		
Salaries	322,632	308,053
Employee Benefits	43,064	51,035
Purchased Professional Services	1,385	889
Total Expenditures	367,081	359,977
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	$ 0	$ 0

Unified School District Number 368
Paola, Kansas

Schedule 2s

SPECIAL PURPOSE FUNDS
TITLE II A TEACHER QUALITY IMPROVEMENT GRANT

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)

	2021 Actual	2022 Actual
Cash Receipts		
Federal Sources		
Grants	$ 43,534	$ 43,040
Expenditures		
Instruction		
Salaries	20,792	16,516
Purchased Professional & Technical Services	22,742	26,524
Total Expenditures	43,534	43,040
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	$ 0	$ 0

Unified School District Number 368
Paola, Kansas

Schedule 2t

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION - CARL PERKINS GRANT

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)

	2021 Actual	2022 Actual
Cash Receipts		
Federal Sources		
Grant	$ 33,703	$ 5,242
Expenditures		
Instruction		
Salaries	3,372	0
Supplies	0	2,425
Professional Development	5,610	1,242
Property	24,721	1,575
Total Expenditures	33,703	5,242
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	$ 0	$ 0

Unified School District Number 368
Paola, Kansas

Schedule 2u

SPECIAL PURPOSE FUNDS
CORONAVIRUS 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)

	2021 Actual	2022 Actual
Cash Receipts		
Federal sources		
SPARK	$ 477,926	$ 0
ESSER	255,538	1,150,513
Total Cash Receipts	733,464	1,150,513
Expenditures		
SPARK		
Instruction		
Supplies	42,021	0
Support Services		
Supplies	375,230	0
Student Support Services		
Salaries	21,981	0
Services	38,694	0
ESSER		
Instruction		
Salaries	29,843	717,429
Supplies	235,859	257,950
Student Support Services		
Salaries	19,060	0
Services	199,935	60,887
Total Expenditures	962,623	1,036,266
Receipts Over (Under) Expenditures	(229,159)	114,247
Unencumbered Cash, July 1	0	(229,159)
Unencumbered Cash, June 30	$ (229,159)	$ (114,912)

Unified School District Number 368
Paola, Kansas

Schedule 2v

SPECIAL PURPOSE FUNDS
CONTINGENCY RESERVE

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)

	2021 Actual	2022 Actual
Cash Receipts		
Operating Transfers		
General Fund	$ 0	$ 0
Expenditures		
Miscellaneous	28,871	(19,393)
Receipts Over (Under) Expenditures	(28,871)	19,393
Unencumbered Cash, July 1	996,626	967,755
Unencumbered Cash, June 30	$ 967,755	$ 987,148

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2w

SPECIAL PURPOSE FUNDS
STUDENT MATERIAL REVOLVING FUND

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)

	2021 Actual	2022 Actual
Cash Receipts		
Local Sources		
Rental Fees	$ 169,882	$ 182,913
Operating Transfers		
General	0	25,000
Total Cash Receipts	169,882	207,913
Expenditures		
Instruction		
Textbook Purchases	353,218	216,765
Receipts Over (Under) Expenditures	(183,336)	(8,852)
Unencumbered Cash, July 1	308,664	125,328
Unencumbered Cash, June 30	$ 125,328	$ 116,476

Unified School District Number 368
Paola, Kansas

Schedule 2x

BOND & INTEREST FUNDS
BOND & 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)

		2022		
	2021 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Property	$ 1,802,345	$ 1,813,288	$ 1,706,332	$ 106,956
Delinquent	32,477	25,071	19,803	5,268
County Sources				
Motor Vehicle	236,614	198,335	260,346	(62,011)
Recreational Vehicle	6,550	6,082	6,941	(859)
Commercial Vehicle	11,575	9,735	12,291	(2,556)
State Sources				
Equalization Aid	527,055	351,542	351,542	0
Other				
Cost of Issuance	0	20	0	20
Total Cash Receipts	2,616,616	2,404,073	$ 2,357,255	$ 46,818
Expenditures				
Debt Service				
Bond Principal	1,770,000	1,825,000	$ 1,825,000	$ 0
Interest	426,062	372,137	372,137	0
Total Expenditures	2,196,062	2,197,137	$ 2,197,137	$ 0
Receipts Over (Under) Expenditures	420,554	206,936		
Unencumbered Cash, July 1,	4,277,461	4,698,015		
Unencumbered Cash, June 30,	$ 4,698,015	$ 4,904,951		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2y

BUSINESS TYPE FUNDS
HEALTH INSURANCE

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)

	2021 Actual	2022 Actual
Cash Receipts		
Local Sources		
Interest	$ 1,789	$ 984
Miscellaneous Income	0	284
Reimbursements	3,314,510	3,334,541
Total Cash Receipts	3,316,299	3,335,809
Expenditures		
General		
Claims	2,898,343	3,035,504
Administrative Fees	503,225	555,029
Total Expenditures	3,401,568	3,590,533
Receipts Over (Under) Expenditures	(85,269)	(254,724)
Unencumbered Cash, July 1	417,236	331,967
Unencumbered Cash, June 30	$ 331,967	$ 77,243

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2z

TRUST TYPE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2022

Expendable Trust Funds	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
Greason Scholarship	$ 1,850	$ 27	$ 27	$ 1,850
Humphrey Scholarship	10,068	150	150	10,068
Darland Scholarship	4,577	62	57	4,582
Hileman Scholarship	9,036	104	110	9,030
Charitable Foundation	99,042	62,416	48,981	112,477
Panther Friends	13,650	5,000	4,067	14,583
Cops for Tots	4,706	0	0	4,706
Serving Our Students	57,836	18,427	10,345	65,918
Miami Co Med Center	13,318	0	0	13,318
Total Expendable Trust Funds	$ 214,083	$ 86,186	$ 63,737	$ 236,532

Permanent Trust Funds	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
Cook Fund	$ 258,094	$ 3,232	$ 3,232	$ 258,094
Total Permanent Trust Funds	$ 258,094	$ 3,232	$ 3,232	$ 258,094
Total Trust Funds	$ 472,177	$ 89,418	$ 66,969	$ 494,626

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2022

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Sunflower Elementary School				
Student Council	$ 568	$ 0	$ 0	$ 568
Miscellaneous	1,636	345	350	1,631
PTO	5,162	0	1,143	4,019
Donations	4,732	4,649	6,165	3,216
Total Sunflower Elementary	12,098	4,994	7,658	9,434
Paola Middle School				
Box Tops for Education	2,580	5	2,585	0
Student Council	355	1,803	247	1,911
Target (rebates)	64	600	226	438
Band	611	0	154	457
Donations	1,615	175	148	1,642
Promotions	263	0	0	263
PMS Vocal Music	4,439	0	2,881	1,558
Magazine Sales	18,288	36,705	30,840	24,153
Miscellaneous	1,785	5,871	4,595	3,061
Scholastic	1,075	2,481	3,469	87
Love to Learn	250	0	0	250
F.I.R.S.T. LEGO	1,221	0	0	1,221
Kansas Association	752	3,500	2,754	1,498
Cheerleaders	44	680	426	298
Students Against Drunk Drivers	286	0	0	286
Athletic Donations	1,611	0	0	1,611
Total Paola Middle School	35,239	51,820	48,325	38,734

Unified School District Number 368
Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2022

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School				
Athletic Donations	$ 3,504	$ 11,190	$ 3,318	$ 11,376
Art Club	760	2,342	131	2,971
F.B.L.A.	5,273	4,678	8,613	1,338
Band	4,113	6,688	7,316	3,485
Class of 2021	2,180	0	0	2,180
Class of 2022	3,549	2,621	3,223	2,947
Class of 2023	1,719	7,148	6,769	2,098
Class of 2024	1,025	999	0	2,024
Class of 2025	0	922	52	870
F.C.A.	67	0	0	67
F.F.A.	18,583	36,487	38,388	16,682
FCCLA	445	1,254	906	793
Advertising	1,498	1,300	1,488	1,310
Kansas Associates	2,567	5,437	4,731	3,273
Madrigals Club	8,498	1,630	1,325	8,803
National Honor Society	514	679	608	585
Rat Pack	95	0	0	95
Robotics	34,205	11,245	16,279	29,171
Scholar Bowl	2,478	1,740	1,759	2,459
Scholarships	338	0	0	338
Spirit Club	1,221	6,195	6,317	1,099
S.A.D.D.	965	0	0	965
Student Council	455	6,097	5,800	752
Counseling Donations	357	4,094	3,901	550
Drama Club	1,876	5,970	5,681	2,165
Flag Team Club	82	0	0	82
ACE/Football	5,794	9,578	10,920	4,452
Thespian Club	1,398	15,839	15,776	1,461
Drill Team	86	0	78	8
Reporter	797	3,644	3,175	1,266
Debate	140	20	0	160
Grant/Ward	1,038	0	234	804
Miscellaneous	2,362	7,132	1,822	7,672
Baseball	11,651	10,758	8,933	13,476
Cross Country	2,713	2,562	140	5,135
Softball	8,266	134	553	7,847
Girls Basketball	744	3,810	2,760	1,794
Girls Wrestling	700	1,296	0	1,996
Boys Basketball	239	662	450	451

Unified School District Number 368
Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2022

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School - continued				
Volleyball	$ 2,613	$ 5,925	$ 3,857	$ 4,681
Wrestling	2,108	7,349	4,594	4,863
Culinary Arts	892	344	376	860
Breakfast Club	100	0	0	100
SKILLSUSA Club	3,155	1,185	3,184	1,156
Donations	462	1,554	848	1,168
Total Paola High School	141,625	190,508	174,305	157,828
Cottonwood Elementary School				
Donations	3,794	2,861	1,275	5,380
PTO	5,306	0	1,038	4,268
Night at the Museum	5,688	17	2,070	3,635
Science Department	11	0	0	11
Lowes Education	206	0	21	185
Total Cottonwood Elementary	15,005	2,878	4,404	13,479
Panther Robotics	770	800	422	1,148
Total All Schools	$ 204,737	$ 251,000	$ 235,114	$ 220,623

Unified School District Number 368
Paola, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2022

	Unencumbered Cash Balance Beginning	Cash Receipts	Expenditures	Unencumbered Cash Balance Ending
Sunflower Elementary School				
Fees and User Charges				
Activity	$ 0	$ 2,724	$ 2,724	$ 0
Roman Barnard	0	3,000	3,000	0
Field Trips	0	1,752	1,752	0
Yearbook	48	821	369	500
Library	0	213	213	0
Petty Cash	0	500	500	0
Total	48	9,010	8,558	500
Paola Middle School				
Gate Receipts				
Athletics	2,500	32,723	32,723	2,500
Fees and User Charges				
Activities	0	8,329	8,329	0
Chromebook	0	770	770	0
Concessions	153	2,430	2,583	0
Roman Barnard	0	2,500	2,500	0
Vending	0	700	700	0
Yearbook	330	7,539	7,602	267
Petty Cash	0	500	500	0
Sales Tax	0	5,874	5,874	0
Pay to Participate	0	12,175	12,175	0
Total	483	40,817	41,033	267
Paola High School				
Fees and User Charges				
Art Fees	242	3,594	2,508	1,328
Tech Fees	0	1,738	1,738	0
Chromebook Repairs	0	803	803	0
Concessions	387	41,079	39,386	2,080
Book	0	2,194	2,194	0
Drivers Education	0	11,040	11,040	0
Leadership Class	933	0	0	933
IHT	745	4,503	4,536	712
Pay to Participate	0	12,206	8,612	3,594

Unified School District Number 368
Paola, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
REGULATORY BASIS
For the year ended June 30, 2021

	Unencumbered Cash Balance Beginning	Cash Receipts	Expenditures	Unencumbered Cash Balance Ending
Paola High School				
Fees and User Charges				
Vending	$ 88	$ 0	$ 0	$ 88
Vocational Ag	0	822	822	0
Woodworking	0	1,747	1,747	0
Sales Tax	0	13,915	13,915	0
Roman Barnard	546	2,850	3,394	2
Strength Club	901	0	0	901
Yearbook Fees	0	38,290	38,290	0
Athletics	0	9,639	4,092	5,547
Drama/Play	1,574	2,676	4,250	0
Teacher of the Year	0	500	0	500
Petty Cash	0	1,000	1,000	0
Total	5,416	148,596	138,327	15,685
Gate Receipts	12,235	70,405	61,463	21,177
Cottonwood Elementary School				
Fees and User Charges				
Petty Cash	0	200	200	0
Field Trips	0	3,080	3,080	0
Library	0	246	246	0
Roman Barnard	0	3,200	3,200	0
Sales Tax	0	11	11	0
Vending	0	663	663	0
Teacher of the Year	0	500	500	0
Yearbook	0	129	129	0
Activities	0	3,525	3,525	0
	0	11,554	11,554	0
Administration Activity Fund				
Fees and charges	5,109	2,859	3,897	4,071
Total All Schools	$ 25,791	$ 315,964	$ 297,555	$ 44,200

Unified School District Number 368
Paola, Kansas

Schedule 5

RELATED MUNICIPAL ENTITY
ENDOWMENT TRUSTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDING BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2022

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Bea Mount	$ 100,596	$ 15,098	$ 3,750	$ 111,944
Carl Gump	171,852	31,343	11,639	191,556
William & Carol Young	252,971	37,566	13,000	277,537
Derek Leis	12,761	2,334	1,000	14,095
Edna Patterson	286,911	43,169	12,500	317,580
McLaughlin/Boyd/Emery	47,801	7,140	2,000	52,941
Myrtle Haugn	35,030	5,227	2,000	38,257
Evening Lions	22,123	3,293	1,000	24,416
Rotary Scholars	24,631	4,528	3,000	26,159
McNelly Scholars	5,665	844	250	6,259
Nettie Hook	84,236	12,599	4,427	92,408
Walter and Lucille Smith	23,886	3,622	650	26,858
Schwartz Family	59,427	8,797	3,000	65,224
Vivian Kircher	11,339	1,690	500	12,529
Hillsdale Elementary	12,728	1,906	500	14,134
USD #368 Endowment	96,775	43,877	34,250	106,402
Jesse Barker	32,216	4,789	1,500	35,505
Quincy Hipp	9,556	1,427	850	10,133
Tracy Kohl	6,688	965	500	7,153
Stockwell	22,087	3,287	1,000	24,374
Frances Balocca	4,000	4,000	4,000	4,000
Roman/Barnard	226,324	34,714	11,780	249,258
Ralph and Ersa Wilcox Rossman	33,015	5,147	0	38,162
Ellyn Reynolds	362,909	54,082	18,000	398,991
Chloe Hays	2,059	321	0	2,380
Darrel Hurlbut	16,544	31,360	2,250	45,654
Kevin Armstrong	7,927	1,173	400	8,700
Diana Green	8,521	1,797	400	9,918
Kirk Wilson	20,852	3,142	700	23,294
W.C. Hartley	17,859	2,660	800	19,719
Carl Buchman	54,301	8,387	500	62,188
Vest Family	470,585	69,932	24,000	516,517
E. J. Meeks	63,931	9,499	3,500	69,930
Paola County	1,877	656	1,250	1,283
5 for 5	817	409	1,000	226
Dr. Robert Banks	21,494	3,195	1,000	23,689
PEO Sisterhood	39,426	5,834	3,000	42,260
Nada Thoden Memorial	14,456	2,176	500	16,132
Wendell & Louses Winkler	14,833	2,235	500	16,568
Steff (Knecht)	11,798	1,683	1,500	11,981

Unified School District Number 368
Paola, Kansas

Schedule 5

RELATED MUNICIPAL ENTITY
ENDOWMENT TRUSTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDING BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2022

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Dennis A Kurteng	$ 58,338	$ 8,705	$ 2,500	$ 64,543
Nevious Scholars	21,774	3,083	3,000	21,857
Lee Technical Education	60,098	9,369	2,505	66,962
Arky & Verla Thomas	4,726	737	0	5,463
Larry McGee Memorial	10,375	1,539	500	11,414
Nicholson Powel	12,958	1,942	500	14,400
USD #368 Music	0	11,000	1,000	10,000
Bracken Family	0	20,000	0	20,000
Interest	215	434	473	176
Dividends	25,992	198,045	181,052	42,985
Stock Gains/Losses	276,483	(313,802)	281,775	(319,094)
Administration	1,143	3,000	3,355	788
	$ 3,184,909	$ 419,955	$ 649,056	$ 2,955,808

See Independent Auditor's Report.

Unified School District Number 368
Paola. Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grant Pass Through Grantor/Program Title	Federal CFDA Number	Revenues	Expenditures
U.S. Department of Education			
Pass Through Kansas Department of Education			
Special Ed Cluster			
Special Education Grants to States	84.027	$ 1,771,180	$ 1,771,180
Special Education Preschool	84.173	52,368	52,368
Total Special Education Cluster		1,823,548	1,823,548
Title I Grants to Local Education Agencies	84.010A	333,705	333,705
Title IIA Improving Teacher Quality	84.367A	43,040	43,040
Vocational Education	84.048A	5,242	5,242
Student Support & Academic Enrichment	84.424	26,272	26,272
ESSER I COVID-19 Coronavirus	84.425D	1,264,967	1,150,720
Pass Through Kansas Board of Regents			
Adult Education	84.002	194,700	194,700
Total U.S. Department of Education		3,691,474	3,577,227
U.S. Department of Agriculture			
Pass Through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	228,304	228,304
National School Lunch Program	10.555	1,012,479	1,012,479
Summer Food Program for Children	10.559	63,743	63,743
Total Child Nutrition Cluster		1,304,526	1,304,526
Pandemic Electronic Benefit Transfer	10.649	614	614
Total U.S. Department of Agriculture		1,305,140	1,305,140
U.S. Department of Health and Human Services			
Pass Through Kansas Department of Education			
KDHE K-12 Covid Testing Grant	93.323	180	180
Total revenues and expenditures of federal awards		$ 4,996,794	$ 4,882,547

The District did not provide federal awards to sub recipients for the year ended June 30, 2022

See accompanying notes to this schedule.

Unified School District Number 368
Paola, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2022

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 368 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 the Office of Management and Budget (OMB) 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 select portion of the operations of Unified School District Number 368, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of Unified School District Number 368.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). 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 on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Expenditures as reported on the Schedule are recognized under the basis described above and follow the cost principles contained in the Uniform Guidance regarding *Cost Principles* wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE C. NON-CASH ASSISTANCE, INSURANCE AND LOANS

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2022.

NOTE C. INDIRECT COST RATE

Unified School District Number 368 did not use the standard indirect cost rate of 10%.

SPECIAL REPORTS

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Agler & Gaeddert CHARTERED
Certified Public Accountants

Harold K. Mayes, CPA
Jennifer L. Kettler, CPA
Lucille L. Hinderliter, CPA

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

Board of Education
Unified School District Number 368
Paola, Kansas

We have audited, in accordance with 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, the financial statement of Unified School District Number 368 as of and for the year ended June 30, 2022, and the related notes to the financial statement, which comprise the District's regulatory basis financial statements and have issued our report thereon dated September 22, 2022. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide*, 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 the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing our 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 serve than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

Purpose of this Report

The purpose of this report is intended 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.

Harold K. Mayes Jr

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
September 22, 2022

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

Board of Education
Unified School District Number 368
Paola, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District Number 368's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unified School District Number 368's major federal programs for the year ended June 30, 2022. Unified School District Number 368's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District Number 368 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 Number 368 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 Number 368'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 Unified School District Number 368'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 Unified School District Number 368's compliance based on our audit. Reasonable assurance is a high level of assurance but is

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

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 Number 368's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District Number 368'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 Unified School District Number 368'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 Unified School District Number 368'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.

Harold K. Mayes Jr

Harold K . Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
September 22, 2022

Unified School District Number 368
Paola, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP	Adverse
Type of report the auditor issued on whether the financial statement audited was prepared in accordance with regulatory basis	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses:	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses:	None noted
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal awards	No

Identification of major programs:

CFDA Number's	Name of Federal Program or Cluster	Amount
U.S. Department of Education		
Special Education Cluster		
84.173A	Special Education Preschool	$ 52,368
84.027A	Special Education Grants to States	1,771,180
		1,823,548
84.425D	ESSER I COVID-19 Coronavirus	1,150,900
84.010A	Title 1 Low Income	333,705
		$ 3,308,153

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