CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
CLEARWATER, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2022

BFR

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
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INDEPENDENT AUDITORS' REPORT

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2022**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Clearwater Unified School District No. 264, Clearwater, Kansas**, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of **June 30, 2022**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Clearwater Unified School District No. 264, Clearwater, Kansas** 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.

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Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Clearwater Unified School District No. 264, Clearwater, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Clearwater Unified School District No. 264, Clearwater, Kansas'** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt the **Clearwater Unified School District No. 264, Clearwater, Kansas'** ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of cash receipts and expenditures – capital projects, agency funds schedules of regulatory basis cash receipts and disbursements, district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is

fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended June 30, 2021, and have issued our report thereon dated September 29, 2021, which contained an unmodified opinion on the basic financial statement.

The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/oar/municipal-services. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2021 (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021, on our consideration of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC

BFR CPA, LLC
September 30, 2022

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 8,810,464	$ 8,810,464	$ 0	$ 34,429	$ 34,429
Special Purpose Funds							
Supplemental General	116,858	0	2,715,381	2,750,518	81,721	1,944	83,665
Preschool-Aged At-Risk	10,000	0	26,038	26,038	10,000	215	10,215
At Risk (K-12)	90,000	0	663,919	514,607	239,312	0	239,312
Bilingual Education	923	0	1,882	2,626	179	0	179
Virtual Education	6,000	0	0	0	6,000	0	6,000
Capital Outlay	1,320,947	0	1,007,530	825,604	1,502,873	110,363	1,613,236
Driver Training	22,763	0	7,970	6,683	24,050	0	24,050
Food Service	266,785	0	790,798	725,028	332,555	23	332,578
Professional Development	39,089	0	60,700	24,971	74,818	150	74,968
Special Education	450,001	0	2,712,651	2,290,071	872,581	16	872,597
Career and Postsecondary Education	90,000	0	383,586	366,970	106,616	429	107,045
KPERS Contribution	0	0	907,642	907,642	0	0	0
Recreation Commission	19,143	0	239,426	234,500	24,069	0	24,069
Recreation Commission Employee Benefit Fund	18,518	0	40,383	35,000	23,901	0	23,901
Federal Funds	(36,523)	0	514,149	762,881	(285,255)	13,655	(271,600)
Gifts and Grants	17,347	0	6,453	7,637	16,163	0	16,163
Contingency Reserve	732,885	31,663	0	0	764,548	0	764,548
Student Revolving	2,304	0	400	1,027	1,677	290	1,967
Textbook Revolving	170,378	0	139,551	194,412	115,517	0	115,517
Perkins Consortium Vo-Ed Grant	0	0	19,530	19,530	0	0	0
HS FACS Grants	139	0	645	679	105	0	105
Health Council Grant	200	0	534	0	734	0	734
District Activity Funds	84,956	0	293,656	279,222	99,390	0	99,390
Bond and Interest	2,440,668	0	2,259,114	2,066,088	2,633,694	0	2,633,694
Capital Projects	138,020	0	477	138,497	0	0	0
	$ 6,001,401	$ 31,663	$ 21,602,879	$ 20,990,695	$ 6,645,248	$ 161,514	$ 6,806,762

Composition of Cash:	Checking Accounts	$ 5,416,392
	Savings Accounts	531,210
	Investments	892,239
		6,839,841
	Agency Funds	(33,079)
		$ 6,806,762

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

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Clearwater Unified School District No. 264 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Clearwater, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

Capital Projects 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.

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

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

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

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

Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and bond and interest 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 on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

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

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

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

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

Federal Funds
Contingency Reserve Fund
Textbook Revolving Fund
HS FACS Grants Fund
District Activity Funds
Gifts and Grants Fund
Student Revolving Fund
Perkins Consortium Vo-Ed Grant Fund
Health Council Grant

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

Note 2 - In Substance Receipt in Transit:

The District received $416,210 subsequent to June 30, 2022, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

Note 3 - Defined Benefit Pension Plan:

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 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 paymentsof $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 SenateBill 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 $907,642 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 $7,184,545. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 4 - Capital Projects:

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

	Project Authorization	Expenditures to Date
School Buildings	$ 16,499,013	$ 16,499,013

Note 5 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 6 - Termination Benefits:

The District supports an early retirement plan for certified staff under the negotiated agreement. Certified staff are eligible under the plan if they were employed by the District for terms prior to 2007-2008, 60 years of age and have been employed by the District for ten years of continuous service and an additional five years under KPERS employment. Certified staff electing early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 75% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

Certified staff employed by the District for periods prior to 2007-2008 are also eligible under the plan for a reduced retirement benefit at age 55 or an age that fulfills the KPERS retirement options, have a minimum of ten years continuous service with the District, and have an additional five years under KPERS employment. Certified staff electing the reduced early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 50% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

It is the policy of the District to record early retirement benefits as expenditures when paid. The District paid $122,980 in postemployment benefits for 14 former employees during the year ended June 30, 2022.

Note 7 - Deposits & Investments:

As of June 30, 2022, the District had the following investments:

Investment Type	Fair Value	Rating U.S.
Kansas Municipal Investment Pool	$ 892,239	N/A

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2022, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2022.

At June 30, 2022, the District's carrying amount of deposits was $5,947,602 and the bank balance was $6,486,979. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $404,745 was covered by federal depository insurance and the remaining $6,082,234 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2022, the District had invested $892,239 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 8 - Reimbursed Expenditures:

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

Note 9 - Contingencies:

Grant Programs
The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

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; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:							
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Professional Development	Special Education	Career and Postsecondary Education	Textbooks Revolving	Total
General Fund	$ 26,038	$ 505,424	$ 1,332	$ 13,910	$ 1,740,188	$ 347,340	$ 90,000	$ 2,724,232
Supplemental General Fund	0	157,055	550	36,090	562,426	0	0	756,121
	$ 26,038	$ 662,479	$ 1,882	$ 50,000	$ 2,302,614	$ 347,340	$ 90,000	$ 3,480,353

Note 11 - Postemployment Benefits:

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

Note 12 - Subsequent Events:

The District has evaluated subsequent events through September 30, 2022, the date which the financial statement was available to be issued.

Note 13- Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due either monthly or annually.

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2017 Series	3.000 - 5.000	6/1/2017	$ 15,000,000	9/1/2036
2020 Series	1.25	7/1/2020	$ 4,595,000	9/1/2023
Capital Leases				
Networking Equipment	0.00	3/25/2020	$ 329,082	7/15/2022
Multifunction Printers	0.00	12/19/2019	$ 75,660	2/15/2025

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2017 Series	$ 15,000,000	$ 0	$ 0	$ 15,000,000	$ 578,400
2020 Series	4,535,000	0	1,440,000	3,095,000	47,688
	19,535,000	0	1,440,000	18,095,000	626,088
Capital Leases					
Networking Equipment	219,388	0	109,694	109,694	0
Multifunction Printers	55,484	0	15,132	40,352	0
	274,872	0	124,826	150,046	0
	$ 19,809,872	$ 0	$ 1,564,826	$ 18,245,046	$ 626,088

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

	Principal			Interest			
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Total Principal and Interest
2023	$ 1,515,000	$ 124,826	$ 1,639,826	$ 607,619	$ 0	$ 607,619	$ 2,247,445
2024	1,580,000	15,132	1,595,132	588,275	0	588,275	2,183,407
2025	910,000	10,088	920,088	555,650	0	555,650	1,475,738
2026	960,000	0	960,000	508,900	0	508,900	1,468,900
2027	990,000	0	990,000	460,150	0	460,150	1,450,150
2028 - 2032	5,775,000	0	5,775,000	1,572,450	0	1,572,450	7,347,450
2033 - 2037	6,365,000	0	6,365,000	470,294	0	470,294	6,835,294
	$ 18,095,000	$ 150,046	$ 18,245,046	$ 4,763,338	$ 0	$ 4,763,338	$ 23,008,384

REGULATORY REQUIRED SUPPLEMENTARY INFORMATION

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 8,984,165	$ (178,026)	$ 4,325	$ 8,810,464	$ 8,810,464	$ 0
Special Purpose Funds						
Supplemental General	2,780,430	(29,912)	0	2,750,518	2,750,518	0
Preschool-Aged At-Risk	30,000	0	0	30,000	26,038	(3,962)
At Risk (K-12)	801,975	0	0	801,975	514,607	(287,368)
Bilingual Education	4,608	0	0	4,608	2,626	(1,982)
Virtual Education	21,000	0	0	21,000	0	(21,000)
Capital Outlay	2,221,825	0	0	2,221,825	825,604	(1,396,221)
Driver Training	31,013	0	0	31,013	6,683	(24,330)
Food Service	830,785	0	0	830,785	725,028	(105,757)
Professional Development	64,089	0	0	64,089	24,971	(39,118)
Special Education	2,617,006	0	0	2,617,006	2,290,071	(326,935)
Career and Postsecondary Education	406,500	0	0	406,500	366,970	(39,530)
KPERS Contribution	1,100,395	0	0	1,100,395	907,642	(192,753)
Recreation Commission	234,500	0	0	234,500	234,500	0
Recreation Commission Employee Benefit Fund	35,000	0	0	35,000	35,000	0
Federal Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	762,881	XXXXXXXXX
Gifts and Grants	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	7,637	XXXXXXXXX
Contingency Reserve	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Student Revolving	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	1,027	XXXXXXXXX
Textbook Revolving	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	194,412	XXXXXXXXX
Perkins Consortium Vo-Ed Grant	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	19,530	XXXXXXXXX
HS FACS Grants	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	679	XXXXXXXXX
Health Council Grant	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
District Activity Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	279,222	XXXXXXXXX
Bond and Interest	2,066,088	0	0	2,066,088	2,066,088	0
Capital Projects	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	138,497	XXXXXXXXX
	$ 22,229,379	$ (207,938)	$ 4,325	$ 22,025,766	$ 20,990,695	$ (2,438,956)

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 3,405	$ 4,325	$ 0	$ 4,325
State Sources	8,524,866	8,806,139	8,984,165	(178,026)
	8,528,271	8,810,464	$ 8,984,165	$ (173,701)
Expenditures				
Instruction	2,650,166	2,487,971	$ 2,748,324	$ (260,353)
Student Support Services	298,623	305,138	317,235	(12,097)
Instructional Support Staff	432,452	425,369	474,979	(49,610)
General Administration	189,571	194,434	209,820	(15,386)
School Administration	697,993	739,001	744,346	(5,345)
Central Services	220,136	236,930	291,362	(54,432)
Operations & Maintenance	1,178,878	1,290,778	1,335,534	(44,756)
Student Transportation Services	334,031	381,682	384,805	(3,123)
Other Supplemental Services	27,487	20,431	0	20,431
Site Improvement Services	5,182	4,498	0	4,498
Transfers	2,493,752	2,724,232	2,477,760	246,472
Adjustment to Comply With Legal Max	0	0	(178,026)	178,026
Adjustment for Qualifying Budget Credits	0	0	4,325	(4,325)
	8,528,271	8,810,464	$ 8,810,464	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 929,774	$ 1,018,013	$ 943,987	$ 74,026
County Sources	131,541	115,820	120,837	(5,017)
State Sources	1,500,592	1,581,548	1,598,747	(17,199)
	2,561,907	2,715,381	$ 2,663,571	$ 51,810
Expenditures				
Instruction	1,869,777	1,988,031	$ 2,023,504	$ (35,473)
General Administration	2,518	0	8,000	(8,000)
Operations & Maintenance	5,971	6,366	10,000	(3,634)
Transfers	697,415	756,121	738,926	17,195
Adjustment to Comply With Legal Max	0	0	(29,912)	29,912
	2,575,681	2,750,518	$ 2,750,518	$ 0
Receipts Over (Under) Expenditures	(13,774)	(35,137)		
Unencumbered Cash, Beginning	130,632	116,858		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 116,858	$ 81,721		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Preschool-Aged At-Risk Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 28,410	$ 26,038	$ 20,000	$ 6,038
	28,410	26,038	$ 20,000	$ 6,038
Expenditures				
Instruction	23,410	26,038	$ 30,000	$ (3,962)
	23,410	26,038	$ 30,000	$ (3,962)
Receipts Over (Under) Expenditures	5,000	0		
Unencumbered Cash, Beginning	5,000	10,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 10,000	$ 10,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

At Risk Fund (K-12)	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,125	$ 1,440	$ 1,900	$ (460)
Transfers	547,117	662,479	710,075	(47,596)
	548,242	663,919	$ 711,975	$ (48,056)
Expenditures				
Instruction	443,092	468,434	$ 688,408	$ (219,974)
Student Support Services	45,150	46,173	52,567	(6,394)
Instructional Support Staff	0	0	37,500	(37,500)
Central Services	0	0	23,500	(23,500)
	488,242	514,607	$ 801,975	$ (287,368)
Receipts Over (Under) Expenditures	60,000	149,312		
Unencumbered Cash, Beginning	30,000	90,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 90,000	$ 239,312		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 3,198	$ 1,882	$ 3,685	$ (1,803)
	3,198	1,882	$ 3,685	$ (1,803)
Expenditures				
Instruction	4,113	2,626	$ 4,608	$ (1,982)
	4,113	2,626	$ 4,608	$ (1,982)
Receipts Over (Under) Expenditures	(915)	(744)		
Unencumbered Cash, Beginning	1,838	923		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 923	$ 179		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 5,000	$ 0	$ 15,000	$ (15,000)
	5,000	0	$ 15,000	$ (15,000)
Expenditures				
Instruction	4,000	0	$ 21,000	$ (21,000)
	4,000	0	$ 21,000	$ (21,000)
Receipts Over (Under) Expenditures	1,000	0		
Unencumbered Cash, Beginning	5,000	6,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 6,000	$ 6,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 775,458	$ 656,109	$ 545,465	$ 110,644
County Sources	68,691	63,865	67,855	(3,990)
State Sources	278,872	287,556	287,556	0
	1,123,021	1,007,530	$ 900,876	$ 106,654
Expenditures				
Instruction	221,567	405,299	$ 706,203	$ (300,904)
Student Support Services	0	0	71,241	(71,241)
General Administration	1,839	10,050	5,000	5,050
School Administration	0	454	0	454
Operations & Maintenance	83,581	87,596	374,356	(286,760)
Student Transportation Services	108,056	85,683	270,575	(184,892)
Other Supplemental Services	14,092	0	15,500	(15,500)
Land Improvement	0	32,659	0	32,659
New Building Acquisition & Construction	75,026	0	178,950	(178,950)
Site Improvement	1,550	2,630	175,000	(172,370)
Building Improvement	145,540	201,233	425,000	(223,767)
	651,251	825,604	$ 2,221,825	$ (1,396,221)
Receipts Over (Under) Expenditures	471,770	181,926		
Unencumbered Cash, Beginning	849,177	1,320,947		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,320,947	$ 1,502,873		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 3,474	$ 5,530	$ 4,650	$ 880
State Sources	2,856	2,440	3,600	(1,160)
	6,330	7,970	$ 8,250	$ (280)
Expenditures				
Instruction	5,516	6,172	$ 31,013	$ (24,841)
Vehicle Operations, Maintenance Services	635	511	0	511
	6,151	6,683	$ 31,013	$ (24,330)
Receipts Over (Under) Expenditures	179	1,287		
Unencumbered Cash, Beginning	22,584	22,763		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 22,763	$ 24,050		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Food Service Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 53,212	$ 66,778	$ 6,267	$ 60,511
State Sources	6,328	5,894	4,249	1,645
Federal Sources	588,458	718,126	553,484	164,642
	647,998	790,798	$ 564,000	$ 226,798
Expenditures				
Operations & Maintenance	3,766	3,826	$ 52,000	$ (48,174)
Food Service Operations	563,530	721,202	778,785	(57,583)
	567,296	725,028	$ 830,785	$ (105,757)
Receipts Over (Under) Expenditures	80,702	65,770		
Unencumbered Cash, Beginning	186,083	266,785		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 266,785	$ 332,555		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 970	$ 10,700	$ 0	$ 10,700
State Sources	3,103	0	0	0
Transfers	25,000	50,000	25,000	25,000
	29,073	60,700	$ 25,000	$ 35,700
Expenditures				
Instructional Support Staff	14,608	24,971	$ 64,089	$ (39,118)
	14,608	24,971	$ 64,089	$ (39,118)
Receipts Over (Under) Expenditures	14,465	35,729		
Unencumbered Cash, Beginning	24,624	39,089		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 39,089	$ 74,818		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 48,482	$ 350,877	$ 0	$ 350,877
Federal Sources	18,975	59,160	29,580	29,580
Transfers	2,093,044	2,302,614	2,137,426	165,188
	2,160,501	2,712,651	$ 2,167,006	$ 545,645
Expenditures				
Instruction	1,928,519	2,073,363	$ 2,393,256	$ (319,893)
Instructional Support Staff	800	1,800	1,100	700
Central Services	0	0	1,100	(1,100)
Student Transportation Services	132,790	214,908	221,550	(6,642)
	2,062,109	2,290,071	$ 2,617,006	$ (326,935)
Receipts Over (Under) Expenditures	98,392	422,580		
Unencumbered Cash, Beginning	351,609	450,001		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 450,001	$ 872,581		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 18,566	$ 36,246	$ 11,000	$ 25,246
Transfers	403,567	347,340	305,500	41,840
	422,133	383,586	$ 316,500	$ 67,086
Expenditures				
Instruction	352,133	366,715	$ 395,500	$ (28,785)
Instructional Support Staff	0	255	11,000	(10,745)
	352,133	366,970	$ 406,500	$ (39,530)
Receipts Over (Under) Expenditures	70,000	16,616		
Unencumbered Cash, Beginning	20,000	90,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 90,000	$ 106,616		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

KPERS Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 869,877	$ 907,642	$ 1,100,395	$ (192,753)
	869,877	907,642	$ 1,100,395	$ (192,753)
Expenditures				
Instruction	484,521	507,917	$ 616,005	$ (108,088)
Student Support	42,624	46,381	56,205	(9,824)
Instructional Support	42,624	46,381	56,205	(9,824)
General Administration	46,104	49,920	60,500	(10,580)
School Administration	82,377	71,976	87,215	(15,239)
Central Services	42,624	46,380	56,205	(9,825)
Operations & Maintenance	42,624	46,380	56,205	(9,825)
Student Transportation Serv	42,624	46,380	56,205	(9,825)
Food Service	43,755	45,927	55,650	(9,723)
	869,877	907,642	$ 1,100,395	$ (192,753)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 204,268	$ 215,164	$ 204,548	$ 10,616
County Sources	25,759	24,262	25,678	(1,416)
	230,027	239,426	$ 230,226	$ 9,200
Expenditures				
Community Service Operations	231,300	234,500	$ 234,500	$ 0
	231,300	234,500	$ 234,500	$ 0
Receipts Over (Under) Expenditures	(1,273)	4,926		
Unencumbered Cash, Beginning	20,416	19,143		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 19,143	$ 24,069		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Recreation Commission Employee Benefits Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 34,118	$ 35,854	$ 34,068	$ 1,786
County Sources	5,512	4,529	4,467	62
	39,630	40,383	$ 38,535	$ 1,848
Expenditures				
Community Service Operations	35,750	35,000	$ 35,000	$ 0
	35,750	35,000	$ 35,000	$ 0
Receipts Over (Under) Expenditures	3,880	5,383		
Unencumbered Cash, Beginning	14,638	18,518		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 18,518	$ 23,901		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Bond and Interest Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,304,155	$ 1,299,604	$ 1,235,034	$ 64,570
County Sources	159,711	155,350	162,926	(7,576)
State Sources	837,955	804,160	804,159	1
	2,301,821	2,259,114	$ 2,202,119	$ 56,995
Expenditures				
Debt Service	2,005,967	2,066,088	$ 2,066,088	$ 0
	2,005,967	2,066,088	$ 2,066,088	$ 0
Receipts Over (Under) Expenditures	295,854	193,026		
Unencumbered Cash, Beginning	2,144,814	2,440,668		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 2,440,668	$ 2,633,694		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 422,718	$ 514,149
	422,718	514,149
Expenditures		
Instruction	307,323	624,578
Student Support Services	12,972	63,792
Instructional Support Staff	47,640	63,189
General Administration	0	1,077
School Administration	508	3,232
Central Services	468	1,077
Operations & Maintenance	86,722	2,753
Student Transportation Services	1,934	3,183
Food Service Operations	1,674	0
	459,241	762,881
Receipts Over (Under) Expenditures	(36,523)	(248,732)
Unencumbered Cash, Beginning	0	(36,523)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (36,523)	$ (285,255)

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 12,843	$ 6,453
	12,843	6,453
Expenditures		
Instruction	13,610	7,637
	13,610	7,637
Receipts Over (Under) Expenditures	(767)	(1,184)
Unencumbered Cash, Beginning	18,114	17,347
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 17,347	$ 16,163

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 0
	0	0
Expenditures		
Other Support Services	47,039	0
	47,039	0
Receipts Over (Under) Expenditures	(47,039)	0
Unencumbered Cash, Beginning	779,924	732,885
Prior Year Canceled Encumbrances	0	31,663
Unencumbered Cash, Ending	$ 732,885	$ 764,548

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Student Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 415	$ 400
	415	400
Expenditures		
Instruction	0	1,027
	0	1,027
Receipts Over (Under) Expenditures	415	(627)
Unencumbered Cash, Beginning	1,889	2,304
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 2,304	$ 1,677

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Textbook Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 48,695	$ 49,551
Transfers	85,831	90,000
	134,526	139,551
Expenditures		
Instruction	135,363	194,412
	135,363	194,412
Receipts Over (Under) Expenditures	(837)	(54,861)
Unencumbered Cash, Beginning	171,215	170,378
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 170,378	$ 115,517

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Perkins Consortium Vo-Ed Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 28,062	$ 19,530
	28,062	19,530
Expenditures		
Instruction	28,062	19,530
	28,062	19,530
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

HS FACS Grants

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 1,426	$ 645
	1,426	645
Expenditures		
Instruction	1,300	679
	1,300	679
Receipts Over (Under) Expenditures	126	(34)
Unencumbered Cash, Beginning	13	139
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 139	$ 105

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Health Council Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 0	$ 534
	0	534
Expenditures		
Instruction	0	0
	0	0
Receipts Over (Under) Expenditures	0	534
Unencumbered Cash, Beginning	200	200
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 200	$ 734

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Bond Proceeds	$ 69,691	$ 0
Interest	54	477
	69,745	477
Expenditures		
Facility Acquisition and Construction Services	207,374	138,497
	207,374	138,497
Receipts Over (Under) Expenditures	(137,629)	(138,020)
Unencumbered Cash, Beginning	275,649	138,020
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 138,020	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Class of 2022	$ 432	$ 1,344	$ 1,676	$ 100
Class of 2023	11	31,296	29,239	2,068
Class of 2020	15	5,843	91	5,767
Class of 2021	2,309	0	2,309	0
C-Club	3,422	1,775	1,024	4,173
SADD	2,636	2,866	3,716	1,786
Senior D.C. Trip	96	14,880	14,966	10
Stuco-B.O.S.	854	799	500	1,153
Kay	721	1,789	1,790	720
Stuco-Regular	1,011	7,622	5,486	3,147
Cheerleaders	6,989	20,161	24,505	2,645
Nat'l Honor Society	651	184	341	494
Color Guard	104	0	0	104
Dance Team	1,064	2,842	3,906	0
Art Club	78	0	50	28
Girls Who Code	2	0	0	2
FCCLA	3,543	8,543	8,238	3,848
	23,938	99,944	97,837	26,045
Intermediate - Middle School				
Cheerleaders	2,241	2,450	2,891	1,800
KAYS Group	480	4,894	5,048	326
Student Council-BOS	2,878	153	1,969	1,062
Tribal Council	1,538	12,124	9,816	3,846
	7,137	19,621	19,724	7,034
Total Agency Funds	$ 31,075	$ 119,565	$ 117,561	$ 33,079

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
High School							
Activities	$ 26,087	$ 0	$ 212,333	$ 200,577	$ 37,843	$ 0	$ 37,843
Yearbook	17,895	0	13,784	11,518	20,161	0	20,161
Industrial Arts	9	0	2,090	1,196	903	0	903
Drama	2,409	0	5,792	6,837	1,364	0	1,364
Instrumental Music	3,779	0	5,466	3,555	5,690	0	5,690
Vocal Music	2,398	0	5,255	929	6,724	0	6,724
Photo/Art	2,180	0	524	0	2,704	0	2,704
CHS Crime Stoppers	32	0	0	0	32	0	32
School Improvement	2,686	0	1,594	2,836	1,444	0	1,444
	57,475	0	246,838	227,448	76,865	0	76,865

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Intermediate - Middle School							
Activities	10,886	0	35,596	41,284	5,198	0	5,198
Annual 7-8	625	0	867	1,011	481	0	481
Annual K-6	1,880	0	749	1,564	1,065	0	1,065
Vocal Music	0	0	1,928	20	1,908	0	1,908
Field Trips/Apparel/Track Team	118	0	724	720	122	0	122
Outdoor Classroom	427	0	0	0	427	0	427
Band	0	0	708	685	23	0	23
Book Fair	67	0	0	0	67	0	67
	14,003	0	40,572	45,284	9,291	0	9,291

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Grade School West							
Annual	2,815	0	817	1,684	1,948	0	1,948
Field Day	3,185	0	0	0	3,185	0	3,185
Field Trip/Apparel	2,587	0	2,910	2,748	2,749	0	2,749
Stuco (BOS)	4,724	0	703	233	5,194	0	5,194
Book Fair	158	0	1,816	1,816	158	0	158
PTO	6	0	0	6	0	0	0
Teacher Project	3	0	0	3	0	0	0
	13,478	0	6,246	6,490	13,234	0	13,234
Total District Activity Funds	$ 84,956	$ 0	$ 293,656	$ 279,222	$ 99,390	$ 0	$ 99,390

FEDERAL AWARD INFORMATION

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

Board of Education
Clearwater Unified School District No. 264
Clearwater, 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 **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2022**, and the related notes to the financial statement, which collectively comprise **Clearwater Unified School District No. 264, Clearwater, Kansas'** basic financial statement, and have issued our report thereon dated September 30, 2022. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control.

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

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Board of Education
Clearwater Unified School District No. 264

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Clearwater Unified School District No. 264, Clearwater, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

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

BFR CPA, LLC

BFR CPA, LLC
September 30, 2022

BFR

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

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the types of compliance requirements described as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal programs for the year ended **June 30, 2022**. **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Clearwater Unified School District No. 264, Clearwater, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2022**.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Clearwater Unified School District No. 264, Clearwater, Kansas** 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the compliance requirements referred to above.

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Board of Education
Clearwater Unified School District No. 264

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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of Education
Clearwater Unified School District No. 264

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. 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 weakness 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BFR CPA, LLC

BFR CPA, LLC
September 30, 2022

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Grant Title	Assistance Listing Number	Program Amount	Unencumbered Cash 7/1/2021	Receipts	Expenditures	Unencumbered Cash 6/30/2022
(Passes Through Kansas Department of Education)						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	$ 97,019				
National School Lunch Program	10.555	587,535				
Summer Food Service Program for Children	10.559	32,958				
Pandemic EBT Administrative Costs	10.649	614				
		718,126	$ 21,162	$ 718,126	$ 725,005	$ 14,283
Department of Education						
Title I Grants to Local Educational Agencies	84.010	138,745	0	138,745	138,745	0
Career and Technical Education - Basic Grants to States	84.048	10,000	0	10,000	10,000	0
Supporting Effective Instruction State Grants	84.367	43,166	0	43,166	43,166	0
Student Support and Academic Enrichment Program	84.424	16,066	0	16,066	16,066	0
Covid 19 Education Stabilization Fund	84.425D	1,487,986	(36,523)	370,610	619,342	(285,255)
		1,695,963	(36,523)	578,587	827,319	(285,255)
Health and Human Services						
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	534	0	534	0	534
Epidemiology and Laboratory Capacity for Infectious Disease	93.323	4,722	0	4,722	4,722	0
		5,256	0	5,256	4,722	534
(Passes Through South Central Kansas Education Service						
Department of Education						
Career and Technical Education - Basic Grants to States	84.048	9,530	0	9,530	9,530	0
Total Federal Awards		$ 2,428,875	$ (15,361)	$ 1,311,499	$ 1,566,576	$ (270,438)

The accompanying notes are an integral part of the schedule.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Clearwater Unified School District No. 264, Clearwater, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

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

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas**.

2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas**, were disclosed during the audit.

4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award programs for **Clearwater Unified School District No. 264, Clearwater, Kansas**, expresses an unmodified opinion on all major federal programs.

6. There were no audit findings relative to the major federal award programs for **Clearwater Unified School District No. 264, Clearwater, Kansas**.

7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

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

9. **Clearwater Unified School District No. 264, Clearwater, Kansas**, was determined not to be a low-risk auditee.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

There are no prior audit findings