UNIFIED SCHOOL DISTRICT NO. 348

Baldwin City, Kansas

Financial Statements

For the Year Ended June 30, 2022

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UNIFIED SCHOOL DISTRICT NO. 348
Baldwin City, Kansas
Financial Statements
For the Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 348
Baldwin City, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 348, Baldwin City, Kansas, (the District), as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for 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 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.

Other Reporting Required by Government Auditing Standards

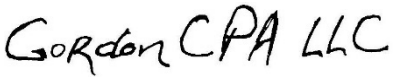
In accordance with *Government Auditing Standards,* we have also issued our report dated December 6, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2021 actual column 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated January 7, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. 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 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.



Certified Public Accountant
Lawrence, Kansas

December 6, 2022

UNIFIED SCHOOL DISTRICT NO. 348
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 9,968,026	$ 9,968,026	$ -	$ 678,272	$ 678,272
Supplemental General	311,254	-	2,981,666	3,113,889	179,031	-	179,031
Special Purpose Funds:							
At Risk (4 Year Old)	-	-	65,560	65,560	-	9,069	9,069
At Risk (K-12)	-	-	701,941	701,941	-	111,973	111,973
Bilingual Education	-	-	4,327	3,394	933	-	933
Virtual Education	-	-	160,528	124,528	36,000	-	36,000
Capital Outlay	741,016	18,000	1,289,812	1,086,261	962,567	390,539	1,353,106
Driver Training	18,370	-	11,404	13,243	16,531	-	16,531
Food Service	109,147	-	1,028,564	739,126	398,585	-	398,585
Professional Development	-	-	11,474	11,474	-	-	-
Parent Education Program	-	-	211,985	205,000	6,985	11,460	18,445
Special Education	148,968	-	2,711,122	2,685,036	175,054	15,223	190,277
Career and Postsecondary Education	-	-	590,197	590,197	-	89,555	89,555
KPERS Special Retirement Contribution	-	-	1,091,141	1,091,141	-	-	-
Contingency Reserve	604,190	19,155	-	19,155	604,190	-	604,190
Textbook and Student Material Revolving	108,019	-	96,087	90,947	113,159	-	113,159
Recreation Commission	-	-	466,514	466,514	-	-	-
Recreation Commission Employee Benefits	-	-	116,614	116,614	-	-	-
Gifts and Grants	9,671	-	69,807	23,714	55,764	-	55,764
Federal Grants	[111,756]	-	744,051	795,868	[163,573]	35,411	[128,162]
Gate Receipts	10,977	-	102,514	98,577	14,914	-	14,914
School Projects	31,852	-	121,823	113,769	39,906	-	39,906
Bond and Interest Fund:							
Bond and Interest	3,764,910	-	6,491,246	6,452,776	3,803,380	-	3,803,380
Total	$ 5,746,618	$ 37,155	$ 29,036,403	$ 28,576,750	$ 6,243,426	$ 1,341,502	$ 7,584,928

Composition of Cash:	
Kansas State Bank	
Checking Accounts	$ 7,710,241
Total Cash	7,710,241
Less: Agency Funds per Schedule 3	[125,313]
Total Reporting Entity (excluding Agency Funds)	$ 7,584,928

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

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 348 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the primary government financial statements and do not include all the entities for which the District is considered to be financially accountable, as required by generally accepted accounting principles. A primary government is a legal entity or public politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as related municipal entities. The Recreation Commission financial data is not included as a related municipal entity in these financial statements.

The Baldwin City Recreation Commission is a joint recreation system established by the District and the City of Baldwin, Kansas, in accordance with K.S.A. 12-1925. The Commission oversees recreational activities. The tax funds for the operation of the Commission are levied by the District and are remitted to the Commission by the District. Bond issues for the Commission must be approved by the District. The Commission can sue and be sued. The acquisition of real property by the Commission must be approved by the District. The Commission as a related municipal entity is not included in these financial statements. A separate audited financial statement of the Recreation Commission can be obtained from the Recreation Commission.

The Baldwin Education Foundation is a not for profit corporation formed under the laws of the State of Kansas. The entity benefits the District's students by raising funds to be used for the student's benefit. The Foundation as a related municipal entity is not included in these financial statements.

Reimbursed Expenses

Expenditures in the amount of $93,146 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Fund Descriptions

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

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

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

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

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

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization fund, etc.).

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) and bond and interest fund. 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.

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. The budget was not amended during the year ended June 30, 2022.

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 statements 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 statutory basis of accounting, in which regulatory basis receipts are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for agency funds and the following special purpose funds: Contingency Reserve, Textbook & Student Material Revolving, Gifts and Grants, Gate Receipts, and School Projects.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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 - Deposits and Investments

Deposits. 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.

Investments. 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. As of June 30, 2022, the District held no such investments.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured at June 30, 2022.

At June 30, 2022, the District's carrying amount of deposits was $7,710,241 and the bank balance was $7,484,110. The bank balance was held by one bank in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and the balance of $7,234,110 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.

NOTE 3 - In-Substance Receipt in Transit

The District received $218,482 in general state aid and $100,849 in supplemental general state aid subsequent to June 30, 2022 and, as required by K.S.A. 72-6466, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

NOTE 4 - Commitments and 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 agreement and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2022.

NOTE 5 - 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 establishes 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 contribution rates are withheld by their employer and paid to KPERS according to 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 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 employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,091,141 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 $8,794,519. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 6 - Compensated Absences

Classified. Twelve-month and ten-month employees hired prior to July 1, 2014 receive 16 and 14 discretionary days, respectively. Twelve-month and ten-month employees hired after July 1, 2014 receive 12 and 10 discretionary days, respectively. Any unused days shall convert to sick days and will be added to the employee's accumulated sick leave, up to a maximum of 65 days. Leave accrued after the 65-day maximum will be reimbursed at a rate of 60% of the certified substitute rate per day. Employees who have 10 years of service and retire or resign will be reimbursed at the rate of 60% of the certified substitute daily rate for all unused accumulated sick leave and employees who have 10 years of service and retire or resign will be reimbursed $10 per day for all unused accumulated sick leave.

A sick leave pool is available for employees to participate on at their discretion. A maximum of 15 days may be awarded from the sick leave pool to those members who have applied and are eligible. Twelve-month employees are eligible for vacation leave after completion of one year of continuous employment.

Vacation time allowed is based upon years of service. Vacation days must be taken by October 31, following the fiscal year in which the days were earned. Vacation days shall not be cumulative or reimbursable. However, after five years or service, employees may carry five vacation days over to the next fiscal year.

Certified. Each certified staff member shall be allowed 12 discretionary days per school year. Any unused days at the end of the school year shall become sick days and be added to the employee's accumulated sick leave. Sick leave can accrue to a maximum of 65 days. Teachers will be reimbursed at a rate equal to 60% of the daily substitute pay for sick leave accrued after the 65-day maximum.

A sick leave pool is available for all certified teaching staff members to participate in.

It is the District's policy to recognize the costs of compensated absences when actually paid.

NOTE 7 - Early Retirement Benefits

The District provides early retirement incentive plans for eligible certified employees.

Certified staff members who have served a minimum of 10 years of service in the District and are eligible to retire under KPERS (85 points or minimum age requirement) are eligible for an early retirement benefit. The plan provides annual installments of $6,000 with a maximum of five installments, or until the retiree reaches the age of 65. The plan is an unfunded, noncontributory, defined benefit plan. The plan was closed for both certified and classified staff new enrollees on June 30, 2018.

The cost of the plan for the year ended June 30, 2022, was $18,000. There is no outstanding liability for this plan past June 30, 2022.

NOTE 8 - Other Post-Employment Benefits

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 retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

NOTE 8 - Other Post-Employment Benefits (Continued)

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, 2019.

NOTE 9 - Flexible Benefit Plan (I.R.C. Section 125)

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following thirty days of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently, all benefits offered through the Plan involve insurance coverage.

NOTE 10 - 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 for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 - Statutory Violation

Actual exceeded budgetary expenditures in the Food Service Fund, which is a violation of K.S.A. 79-2935.

NOTE 12 - Long-Term Debt

The following table summarizes changes in long-term debt for the year ended June 30, 2022:

Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
General Obligation Bonds:					
Series 2012	$ 2,635,000	$ -	$ 130,000	$ 2,505,000	$ 53,169
Series 2015	7,870,000	-	290,000	7,580,000	287,075
Series 2016	3,835,000	-	1,245,000	2,590,000	88,075
Series 2020	4,280,000	-	4,280,000	-	92,020
Series 2021	-	3,935,000	-	3,935,000	33,448
Total General Obligation Bonds	18,620,000	3,935,000	5,945,000	16,610,000	553,786
Finance Leases:					
BESIC Roof Replacement	152,599	-	28,744	123,855	4,578
Energy Conservation Improvements	1,840,000	-	115,000	1,725,000	62,013
Total Finance Leases	1,992,599	-	143,744	1,848,855	66,591
Total Long-Term Debt	$ 20,612,599	$ 3,935,000	$ 6,088,744	$ 18,458,855	$ 620,377

NOTE 12 - Long-Term Debt (Continued)

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2022:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2022
General Obligation Bonds:					
Series 2012	12/27/2021	9/1/2026	2.00 - 2.15%	$ 7,560,000	$ 2,505,000
Series 2015	4/9/2015	9/1/2030	3.00 - 4.00%	8,685,000	7,580,000
Series 2016	9/7/2016	9/1/2024	2.00 - 3.00%	8,840,000	2,590,000
Series 2021	9/1/2021	9/1/2027	1.70%	3,935,000	3,935,000
				$ 29,020,000	$ 16,610,000

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	$ 2,090,000	$ 436,994	$ 2,526,994
2024	2,155,000	375,069	2,530,069
2025	2,215,000	324,181	2,539,181
2026	2,255,000	270,516	2,525,516
2027	2,320,000	211,551	2,531,551
2028-2031	5,575,000	370,823	5,945,823
Total	$ 16,610,000	$ 1,989,133	$ 18,599,133

Finance Leases. The following table details the District's outstanding finance leases as of June 30, 2022:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2022
Finance Leases:					
BESIC Roof Replacement	6/1/2016	6/1/2026	3.00%	$ 284,225	$ 123,855
Energy Conservation Improvements	5/1/2018	6/30/2034	3.48%	2,035,000	1,725,000
				$ 2,319,225	$ 1,848,855

NOTE 12 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the finance leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	$ 149,607	$ 61,641	$ 211,248
2024	155,487	56,499	211,986
2025	156,409	51,228	207,637
2026	162,352	45,850	208,201
2027	135,000	40,269	175,269
2028-2032	750,000	126,114	876,114
2033-2034	340,000	12,003	352,003
Total	$ 1,848,855	$ 393,603	$ 2,242,458

Legal Debt Margin. 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. The ratio of net bonded debt to the assessed valuation as of June 30, 2022, was 15.60%. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

NOTE 13 - Interfund Transactions

Transfers for the year ended June 30, 2022, are approved by the Board of Education and are as follows:

From	To	Regulatory Authority	Amount
General	Special Education	K.S.A. 72-6428	$ 1,657,807
General	At-Risk (K-12)	K.S.A. 72-6428	496,821
General	At Risk (4 Year Old)	K.S.A. 72-6428	65,560
General	Career and Postsecondary Education	K.S.A. 72-6428	453,000
General	Virtual Education	K.S.A. 72-6428	151,000
General	Professional Development	K.S.A. 72-6428	11,000
Supplemental General	At-Risk (K-12)	K.S.A. 72-6433	205,120
Supplemental General	Parent Education Program	K.S.A. 72-6433	93,000
Supplemental General	Special Education	K.S.A. 72-6433	885,000
Supplemental General	Bilingual Education	K.S.A. 72-6433	4,327
Supplemental General	Virtual Education	K.S.A. 72-6433	9,528
Supplemental General	Professional Development	K.S.A. 72-6433	474
Supplemental General	Career and Postsecondary Education	K.S.A. 72-6433	131,658
Contingency Reserve	Special Education	K.S.A. 72-6433	19,155
			$ 4,183,450

UNIFIED SCHOOL DISTRICT NO. 348
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended June 30, 2022

Fund	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over [Under]
General Funds:						
General	$ 10,200,518	$ [325,638]	$ 93,146	$ 9,968,026	$ 9,968,026	$ -
Supplemental General	3,113,889	-	-	3,113,889	3,113,889	-
Special Purpose Funds:						
At Risk (4 Year Old)	92,000	-	-	92,000	65,560	[26,440]
At Risk (K-12)	897,547	-	-	897,547	701,941	[195,606]
Bilingual Education	10,934	-	-	10,934	3,394	[7,540]
Virtual Education	160,000	-	-	160,000	124,528	[35,472]
Capital Outlay	1,603,392	-	-	1,603,392	1,086,261	[517,131]
Driver Training	36,692	-	-	36,692	13,243	[23,449]
Food Service	719,165	-	-	719,165	739,126	19,961
Professional Development	50,000	-	-	50,000	11,474	[38,526]
Parent Education Program	205,000	-	-	205,000	205,000	-
Special Education	2,920,049	-	-	2,920,049	2,685,036	[235,013]
Career and Postsecondary Education	663,000	-	-	663,000	590,197	[72,803]
KPERS Special Retirement Contribution	1,254,464	-	-	1,254,464	1,091,141	[163,323]
Recreation Commission	488,820	-	-	488,820	466,514	[22,306]
Recreation Commission Employee Benefits	122,000	-	-	122,000	116,614	[5,386]
Federal Grants	678,405	-	-	678,405	795,868	117,463
Bond and Interest Fund						
Bond and interest	2,519,776	-	3,935,000	6,454,776	6,452,776	[2,000]

SCHEDULE 2-1

UNIFIED SCHOOL DISTRICT NO. 348
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid:				
General aid	$ 7,987,999	$ 8,248,209	$ 8,481,762	$ [233,553]
Special education aid	1,458,762	1,626,671	1,718,756	[92,085]
Miscellaneous	-	2,551	-	2,551
Reimbursed expenses	98,656	90,595	-	90,595
Total Receipts	9,545,417	9,968,026	$ 10,200,518	$ [232,492]
Expenditures				
Instruction	3,062,046	2,778,027	$ 2,773,200	$ 4,827
Student support services	374,280	370,660	371,500	[840]
Instructional support staff	327,646	348,168	331,500	16,668
General administration	285,756	306,487	286,000	20,487
School administration	933,556	950,670	944,000	6,670
Central services	333,031	354,856	333,000	21,856
Operations and maintenance	1,209,405	1,505,795	1,343,151	162,644
Transportation	409,608	518,175	444,100	74,075
Other support services	-	-	10,000	[10,000]
Transfer out	2,610,089	2,835,188	3,364,067	[528,879]
Adjustment to comply with legal max budget	-	-	[325,638]	325,638
Adjustment for qualifying budget credits	-	-	93,146	[93,146]
Total Expenditures	9,545,417	9,968,026	$ 9,968,026	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 348
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 1,399,575	$ 1,289,846	$ 1,338,846	$ [49,000]
Delinquent tax	23,970	15,318	21,287	[5,969]
Motor vehicle tax	177,455	169,054	157,849	11,205
Recreational vehicle tax	3,350	3,440	3,991	[551]
Commercial vehicle tax	-	-	2,936	[2,936]
State aid:				
Equalization aid	1,507,072	1,504,008	1,504,008	-
Total Receipts	3,111,422	2,981,666	$ 3,028,917	$ [47,251]
Expenditures				
Instruction	1,726,293	1,751,262	$ 1,772,719	$ [21,457]
General administration	12,553	-	13,000	[13,000]
Operations and maintenance	15,529	33,520	33,000	520
Transfer out	1,236,442	1,329,107	1,295,170	33,937
Total Expenditures	2,990,817	3,113,889	$ 3,113,889	$ -
Receipts Over [Under] Expenditures	120,605	[132,223]		
Unencumbered Cash, Beginning	190,649	311,254		
Unencumbered Cash, Ending	$ 311,254	$ 179,031		

See independent auditor's report on the financial statements.

SCHEDULE 2-3

UNIFIED SCHOOL DISTRICT NO. 348
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 83,036	$ 65,560	$ 92,000	$ [26,440]
Total Receipts	83,036	65,560	$ 92,000	$ [26,440]
Expenditures				
Instruction	69,404	54,408	$ 80,750	$ [26,342]
School administration	10,895	11,152	11,250	[98]
Food service	2,737	-	-	-
Total Expenditures	83,036	65,560	$ 92,000	$ [26,440]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 566,801	$ 701,941	$ 897,547	$ [195,606]
Total Receipts	566,801	701,941	$ 897,547	$ [195,606]
Expenditures				
Instruction	487,832	633,994	$ 814,147	$ [180,153]
Student support services	78,969	67,947	83,400	[15,453]
Total Expenditures	566,801	701,941	$ 897,547	$ [195,606]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

SCHEDULE 2-5

UNIFIED SCHOOL DISTRICT NO. 348
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Transfer in	$ -	$ 4,327	$ 10,934	$ [6,607]
Total Receipts	-	4,327	$ 10,934	$ [6,607]
Expenditures				
Instruction	-	3,394	$ 10,934	$ [7,540]
Total Expenditures	$ -	$ 3,394	$ 10,934	$ [7,540]
Receipts Over [Under] Expenditures	-	933		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 933		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 19,150	$ 160,528	$ 160,000	$ 528
Total Receipts	19,150	160,528	$ 160,000	$ 528
Expenditures				
Instruction	19,150	124,528	$ 160,000	$ [35,472]
Total Expenditures	19,150	124,528	$ 160,000	$ [35,472]
Receipts Over [Under] Expenditures	-	36,000		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 36,000		

SCHEDULE 2-7

UNIFIED SCHOOL DISTRICT NO. 348
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 783,616	$ 828,729	$ 752,200	$ 76,529
Delinquent tax	12,738	7,983	11,932	[3,949]
Motor vehicle tax	97,212	94,078	87,790	6,288
Recreational vehicle	1,836	1,914	2,219	[305]
Commercial vehicle	-	-	1,633	[1,633]
State aid	299,901	295,497	298,103	[2,606]
Investment income	625	718	-	718
Miscellaneous	1,114	60,893	-	60,893
Total Receipts	1,197,042	1,289,812	$ 1,153,877	$ 135,935
Expenditures				
Instruction	351,325	319,987	$ 103,392	$ 216,595
Operations and maintenance	177,478	68,689	20,000	48,689
Transportation	39,076	95,446	120,000	[24,554]
Facility acquisition and repair	836,394	602,139	1,360,000	[757,861]
Total Expenditures	1,404,273	1,086,261	$ 1,603,392	$ [517,131]
Receipts Over [Under] Expenditures	[207,231]	203,551		
Unencumbered Cash, Beginning	947,602	741,016		
Prior Year Canceled Encumbrance	645	18,000		
Unencumbered Cash, Ending	$ 741,016	$ 962,567		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ -	$ 4,504	$ 4,800	$ [296]
Charges for services	8,995	6,900	13,000	[6,100]
Total Receipts	8,995	11,404	$ 17,800	$ [6,396]
Expenditures				
Instruction	6,153	8,343	$ 33,692	$ [25,349]
Vehicle operating and maintenance services	2,800	4,900	3,000	1,900
Total Expenditures	8,953	13,243	$ 36,692	$ [23,449]
Receipts Over [Under] Expenditures	42	[1,839]		
Unencumbered Cash, Beginning	18,328	18,370		
Unencumbered Cash, Ending	$ 18,370	$ 16,531		

SCHEDULE 2-9

UNIFIED SCHOOL DISTRICT NO. 348
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 622,132	$ 965,860	$ 522,000	$ 443,860
State aid	-	6,465	4,000	2,465
Charges for services	17,141	46,140	335,210	[289,070]
Miscellaneous	16,194	6,316	100,000	[93,684]
Investment income	1,255	3,783	1,200	2,583
Transfer In	60,458	-	-	-
Total Receipts	717,180	1,028,564	$ 962,410	$ 66,154
Expenditures				
Food service	608,033	739,126	$ 719,165	$ 19,961
Total Expenditures	608,033	739,126	$ 719,165	$ 19,961
Receipts Over [Under] Expenditures	109,147	289,438		
Unencumbered Cash, Beginning	-	109,147		
Unencumbered Cash, Ending	$ 109,147	$ 398,585		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 1,845	$ -	$ -	$ -
Transfer in	10,038	11,474	50,000	[38,526]
Total Receipts	11,883	11,474	$ 50,000	$ [38,526]
Expenditures				
Instructional support staff	11,327	11,474	$ 50,000	$ [38,526]
Central services	556	-	-	-
Total Expenditures	11,883	11,474	$ 50,000	$ [38,526]
Receipts [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

SCHEDULE 2-11

UNIFIED SCHOOL DISTRICT NO. 348
Parent Education Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 119,210	$ 118,985	$ 125,000	$ [6,015]
Transfer in	78,647	93,000	80,000	13,000
Total Receipts	197,857	211,985	$ 205,000	$ 6,985
Expenditures				
Student support services	197,280	204,483	$ 205,000	$ [517]
Instructional support staff	60	-	-	-
School administration	517	517	-	517
Total Expenditures	197,857	205,000	$ 205,000	$ -
Receipts [Under] Expenditures	-	6,985		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 6,985		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 136,126	$ 73,750	$ 150,000	$ [76,250]
Investment income	3,173	3,065	3,000	65
Miscellaneous revenues	112,399	72,345	-	72,345
Transfer in	2,441,183	2,561,962	2,718,756	[156,794]
Total Receipts	2,692,881	2,711,122	$ 2,871,756	$ [160,634]
Expenditures				
Instruction	2,469,734	2,505,112	$ 2,688,049	$ [182,937]
Student support services	103,376	91,055	117,000	[25,945]
Vehicle operating services	149,410	88,869	115,000	[26,131]
Total Expenditures	2,722,520	2,685,036	$ 2,920,049	$ [235,013]
Receipts Over [Under] Expenditures	[29,639]	26,086		
Unencumbered Cash, Beginning	178,607	148,968		
Unencumbered Cash, Ending	$ 148,968	$ 175,054		

See independent auditor's report on the financial statements.

SCHEDULE 2-13

UNIFIED SCHOOL DISTRICT NO. 348
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for services	$ 4,937	$ 5,539	$ 13,000	$ [7,461]
Transfer in	587,218	584,658	650,000	[65,342]
Total Receipts	592,155	590,197	$ 663,000	$ [72,803]
Expenditures				
Instruction	581,683	585,061	$ 663,000	$ [77,939]
Transportation	10,472	5,136	-	5,136
Total Expenditures	592,155	590,197	$ 663,000	$ [72,803]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 1,086,116	$ 1,091,141	$ 1,254,464	$ [163,323]
Total Receipts	1,086,116	1,091,141	$ 1,254,464	$ [163,323]
Expenditures				
Instruction	692,834	696,039	$ 750,000	$ [53,961]
Student support services	55,609	55,866	75,000	[19,134]
Instructional support	28,348	28,479	45,000	[16,521]
General administration	25,741	25,860	35,000	[9,140]
School administration	97,859	98,312	129,464	[31,152]
Central services	58,976	59,249	40,000	19,249
Operations and maintenance	58,976	59,249	70,000	[10,751]
Transportation	34,321	34,480	70,000	[35,520]
Food service	33,452	33,607	40,000	[6,393]
Total Expenditures	1,086,116	1,091,141	$ 1,254,464	$ [163,323]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

SCHEDULE 2-15

UNIFIED SCHOOL DISTRICT NO. 348
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2022 and 2021

	Prior Year Actual	Current Year Actual
Receipts		
Transfer in	$ -	$ -
Total Receipts	-	-
Expenditures		
Operations and maintenance	32,653	-
Transfer out	-	19,155
Total Expenditures	32,653	19,155
Receipts Over [Under] Expenditures	[32,653]	[19,155]
Unencumbered Cash, Beginning	636,843	604,190
Prior Year Canceled Encumbrance	-	19,155
Unencumbered Cash, Ending	$ 604,190	$ 604,190

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 348
Textbook & Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2022 and 2021

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 71,773	$ 96,087
Total Receipts	71,773	96,087
Expenditures		
Instruction	68,487	90,947
Total Expenditures	68,487	90,947
Receipts Over [Under] Expenditures	3,286	5,140
Unencumbered Cash, Beginning	104,733	108,019
Unencumbered Cash, Ending	$ 108,019	$ 113,159

* This fund is not required to be budgeted.

SCHEDULE 2-17

UNIFIED SCHOOL DISTRICT NO. 348
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 392,215	$ 414,402	$ 375,766	$ 38,636
Delinquent tax	6,370	4,118	5,966	[1,848]
Motor vehicle tax	48,600	47,037	43,911	3,126
Recreational vehicle tax	918	957	1,110	[153]
Commercial vehicle tax	-	-	817	[817]
Miscellaneous	-	-	61,250	[61,250]
Total Receipts	448,103	466,514	$ 488,820	$ [22,306]
Expenditures				
Community service operations	448,103	466,514	$ 488,820	$ [22,306]
Total Expenditures	448,103	466,514	$ 488,820	$ [22,306]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 348
Recreation Commission Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 97,978	$ 103,599	$ 93,948	$ 9,651
Delinquent tax	1,592	1,029	1,491	[462]
Motor vehicle tax	12,143	11,747	10,883	864
Recreational vehicle tax	229	239	276	[37]
Commercial vehicle tax	-	-	202	[202]
Miscellaneous	-	-	15,200	[15,200]
Total Receipts	111,942	116,614	$ 122,000	$ [5,386]
Expenditures				
Community service operations	111,942	116,614	$ 122,000	$ [5,386]
Total Expenditures	111,942	116,614	$ 122,000	$ [5,386]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

SCHEDULE 2-19

UNIFIED SCHOOL DISTRICT NO. 348
Gifts and Grants Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2022 and 2021

	Prior Year Actual	Current Year Actual
Receipts		
Federal aid	$ 54,000	$ 48,000
Miscellaneous	21,643	21,807
Total Receipts	75,643	69,807
Expenditures		
Instruction	71,844	23,714
Total Expenditures	71,844	23,714
Receipts Over [Under] Expenditures	3,799	46,093
Unencumbered Cash, Beginning	5,872	9,671
Unencumbered Cash, Ending	$ 9,671	$ 55,764

* This funds is not required to be budgeted.

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SCHEDULE 2-20

UNIFIED SCHOOL DISTRICT NO. 348
Federal Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022

	Title I	Title II	Title IV	CARES/ COVID
Receipts				
Federal aid	$ 137,705	$ 30,981	$ 16,201	$ 26,790
Total Receipts	137,705	30,981	16,201	26,790
Expenditures				
Instruction	123,705	30,981	16,201	-
Student support services	-	-	-	26,737
Food service operations	-	-	-	-
Transportation	-	-	-	-
Facility acquisition and repair	-	-	-	-
Total Expenditures	123,705	30,981	16,201	26,737
Receipts Over [Under] Expenditures	14,000	-	-	53
Unencumbered Cash, Beginning	-	-	-	[9,543]
Unencumbered Cash, Ending	$ 14,000	$ -	$ -	$ [9,490]

See independent auditor's report on the financial statements.

ESSER I	ESSER II	ESSER III	ARP Homeless I	ARP Homeless II	Actual	Budget	Variance Over [Under]
$ -	$ 221,054	$ 294,905	$ 4,905	$ 11,510	$ 744,051	$ 678,405	$ 65,646
-	221,054	294,905	4,905	11,510	744,051	$ 678,405	$ 65,646
-	190,807	180,437	-	2,835	544,966	$ 678,405	$ [133,439]
-	86,819	4,380	4,905	-	122,841	-	122,841
-	3,252	-	-	-	3,252	-	3,252
-	13,290	-	-	9,511	22,801	-	22,801
-	-	102,008	-	-	102,008	-	102,008
-	294,168	286,825	4,905	12,346	795,868	$ 678,405	$ 117,463
-	[73,114]	8,080	-	[836]	[51,817]		
579	[383]	[102,409]	-	-	[111,756]		
$ 579	$ [73,497]	$ [94,329]	$ -	$ [836]	$ [163,573]		

SCHEDULE 2-21

UNIFIED SCHOOL DISTRICT NO. 348
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts from the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 1,470,896	$ 1,503,614	$ 1,361,908	$ 141,706
Delinquent tax	28,027	16,554	22,377	[5,823]
Motor vehicle tax	198,242	176,439	164,743	11,696
Recreational vehicle tax	3,731	3,589	4,165	[576]
Commercial vehicle tax	-	-	3,064	[3,064]
State aid	955,905	856,044	683,400	172,644
Miscellaneous	969	6	-	6
Bond proceeds	-	3,935,000	-	3,935,000
Total Receipts	2,657,770	6,491,246	$ 2,239,657	$ 4,251,589
Expenditures				
Principal	1,960,000	5,945,000	$ 2,010,000	$ 3,935,000
Interest	555,539	507,776	507,776	-
Bond issuance costs	-	-	2,000	[2,000]
Adjustment for qualifying budget credits	-	-	3,935,000	[3,935,000]
Total Expenditures	2,515,539	6,452,776	$ 6,454,776	$ [2,000]
Receipts Over [Under] Expenditures	142,231	38,470		
Unencumbered Cash, Beginning	3,622,679	3,764,910		
Unencumbered Cash, Ending	$ 3,764,910	$ 3,803,380		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
STUDENT ORGANIZATIONS				
Baldwin Elementary Intermediate Center				
Student Council	$ 698	$ 703	$ 843	$ 558
Subtotal Baldwin Elementary Intermediate Center Student Organization Funds	698	703	843	558
Baldwin Elementary Primary Center				
All Day Kindergarten Fees	176	-	-	176
Subtotal Baldwin Elementary Primary Center Student Organization Funds	176	-	-	176
Total Elementary School Student Organization Funds	874	703	843	734
JUNIOR HIGH SCHOOL				
Baldwin Junior High School				
Art	51	-	-	51
Band	1,459	224	224	1,459
Basketball	2,277	-	232	2,045
Champions Club	1,051	-	614	437
FBLA	16	-	16	-
Field Trip	342	5,330	5,416	256
Imagination Club	85	-	-	85
Cheerleaders	682	-	-	682
Chorus	48	827	816	59
Football	1,432	3,606	3,372	1,666
Stuco	1,857	1,912	1,416	2,353
Track	1,636	6,029	4,645	3,020
Volleyball	1,454	889	891	1,452
Yearbook	811	4,628	413	5,026
Total Baldwin Junior High Student Organization Funds	13,201	23,445	18,055	18,591
Total Junior High School Student Organization Funds	13,201	23,445	18,055	18,591

UNIFIED SCHOOL DISTRICT NO. 348
Agency Funds
Summary of Receipts and Disbursements (Continued)
Regulatory Basis
For the Year Ended June 30, 2022

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
STUDENT ORGANIZATIONS - CONTINUED				
HIGH SCHOOL				
Baldwin High School				
Art Club	$ 2,603	$ -	$ 203	$ 2,400
Band	2,104	6,298	8,199	203
Baseball	1,347	11,384	8,339	4,392
Boys Basketball	2,238	13,057	11,997	3,298
Boys Soccer	5,968	1,985	5,949	2,004
Boys Tennis	117	390	176	331
Bridges	315	-	297	18
Cheerleaders	5,063	13,911	12,077	6,897
Class of '19	132	-	-	132
Class of '20	2,119	-	2,119	-
Class of '21	65	-	2	63
Class of '22	1,650	-	302	1,348
Class of '23	327	6,893	3,999	3,221
Class of '24	-	729	-	729
Class of '25	-	1,106	-	1,106
Community Bulldog Day (Business)	175	-	-	175
Concessions	2,878	10,896	11,704	2,070
Cross Country/Track	2,226	7,141	7,450	1,917
Debate	93	88	-	181
FACS	2,706	496	1,375	1,827
FBLA	6,377	-	300	6,077
FCCLA	1,555	1,451	1,055	1,951
Football	2,883	6,894	2,531	7,246
Forensics	96	-	-	96
Girls Basketball	836	4,260	2,654	2,442
Girls Soccer	245	1,320	977	588
Girls Tennis	1,467	45	5	1,507
Golf	867	1,551	848	1,570
Highway Championship Sign	4,439	3,700	3,828	4,311
International Club	124	-	-	124
Journalism	674	-	350	324
Lettermen Club	325	-	325	-
Life Skills Class	18	-	18	-
Mardi Gras (SPED)	1,007	200	-	1,207
National Honor Society	458	477	657	278
Pom Squad	75	2,009	503	1,581
Prior System Outstanding	600	-	-	600
Scholar's Bowl	86	1,035	224	897
Softball	2,856	6,477	8,317	1,016
Spanish Trip	428	-	-	428
SPEAK	87	-	26	61
Stuco Heart Awareness	922	-	-	922
Student Council	1,300	3,758	469	4,589
The Avant	3,631	793	1,165	3,259
Volleyball	644	7,845	5,876	2,613
Wrestling	3,634	24,306	24,877	3,063
Total Baldwin High School Student Organization Funds	67,760	140,495	129,193	79,062
Total High School Student Organization Funds	67,760	140,495	129,193	79,062
Payroll Clearing Fund	22,233	25,901	21,208	26,926
Total Agency Funds	$ 104,068	$ 190,544	$ 169,299	$ 125,313

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GATE RECEIPTS							
Baldwin High School							
Athletics gate	$ 99	$ -	$ 84,543	$ 80,284	$ 4,358	$ -	$ 4,358
Musical	10,878	-	2,462	2,784	10,556	-	10,556
Baldwin Junior High School							
Athletics	-	-	15,509	15,509	-	-	-
Subtotal gate receipts	10,977	-	102,514	98,577	14,914	-	14,914
SCHOOL PROJECTS							
Baldwin Elementary Intermediate Center							
Petty Cash	-	-	750	750	-	-	-
Building	1,486	-	1,203	1,090	1,599	-	1,599
Food Service	[565]	-	3,400	3,400	[565]	-	[565]
Classroom Support	716	-	1,513	1,456	773	-	773
Character Council	15	-	-	-	15	-	15
Garden	2,230	-	1,596	990	2,836	-	2,836
PE	25	-	-	-	25	-	25
Student Emergency	888	-	-	345	543	-	543
Yearbook	1,909	-	1,335	1,375	1,869	-	1,869
Fees (Online Enrollment)	-	-	5,530	5,530	-	-	-
Music	457	-	2,042	1,654	845	-	845
Library	71	-	15	71	15	-	15
Subtotal Baldwin Elementary Intermediate Center	7,231	-	17,384	16,661	7,954	-	7,954
Baldwin Elementary Primary Center							
Classroom Support	4,572	-	6,694	4,985	6,281	-	6,281
Family Aide	57	-	-	-	57	-	57
Field Trips	2,215	-	1,923	1,700	2,438	-	2,438
Food Service	-	-	3,218	3,318	[100]	-	[100]
Library	1,090	-	393	8	1,475	-	1,475
Petty Cash	-	-	750	750	-	-	-
Social Worker Family Support	802	-	-	-	802	-	802
Time 4 Kids	291	-	-	-	291	-	291
Textbook	40	-	4,868	4,908	-	-	-
Transportation	-	-	180	180	-	-	-
Yearbook	6,495	-	3,055	3,382	6,168	-	6,168
Subtotal Baldwin Elementary Primary Center	15,562	-	21,081	19,231	17,412	-	17,412

UNIFIED SCHOOL DISTRICT NO. 348
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2022

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
SCHOOL PROJECTS - CONTINUED							
Baldwin Junior High School							
Administration	$ 394	$ -	$ 1,156	$ 1,449	$ 101	$ -	$ 101
Bulldog Club	426	-	488	324	590	-	590
Chromebooks	-	-	2,250	2,250	-	-	-
Chromebook Service	-	-	340	340	-	-	-
Food Service	-	-	3,199	3,199	-	-	-
Kansas Sales Tax	-	-	2,001	2,001	-	-	-
Petty Cash	-	-	2,400	2,400	-	-	-
Library	218	-	2	-	220	-	220
Instrument Rental	-	-	360	360	-	-	-
Social Worker	50	-	-	-	50	-	50
Textbook	-	-	3,095	3,095	-	-	-
Transportation	-	-	-	-	-	-	-
User Fees	-	-	3,070	3,070	-	-	-
Total Baldwin Junior High School	1,088	-	18,361	18,488	961	-	961
Baldwin High School							
Administration	1,764	-	3,591	3,812	1,543	-	1,543
Academic Night	141	-	-	-	141	-	141
Band Instrument Rental	-	-	560	560	-	-	-
Baseball and Softball Complex Improvement	426	-	-	137	289	-	289
Drivers Ed	-	-	9,000	9,000	-	-	-
Food Service	-	-	4,366	4,366	-	-	-
France Trip	651	-	-	124	527	-	527
iPad Fee	-	-	5,388	5,388	-	-	-
Parking Permits	-	-	158	158	-	-	-
Petty Cash	-	-	1,500	1,500	-	-	-
Sales Tax	-	-	9,293	9,293	-	-	-
Woodshop	-	-	1,079	1,079	-	-	-
Testing	2,210	-	715	1,545	1,380	-	1,380
Textbook	-	-	8,280	8,280	-	-	-
User Fee	-	-	8,205	8,205	-	-	-
Vocal Music	1,819	-	3,739	1,166	4,392	-	4,392
Yearbook	960	-	9,123	4,776	5,307	-	5,307
Total Baldwin High School	7,971	-	64,997	59,389	13,579	-	13,579
Subtotal school projects	31,852	-	121,823	113,769	39,906	-	39,906
Total district activity funds	$ 42,829	$ -	$224,337	$ 212,346	$ 54,820	$ -	$ 54,820

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	$ -	$ 130,705	$ 123,705	$ 7,000
Supporting Effective Instruction State Grants	84.367	-	38,041	31,041	7,000
Student Support and Academic Enrichment Program	84.424	-	16,201	16,201	-
Elementary and Secondary School Emergency Relief Fund	84.425D	[102,791]	606,124	671,995	[168,662]
Total U.S. Department of Education			791,071	842,942	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for Needy Families	93.558	-	28,222	28,222	-
Total Temporary Assistance for Needy Families Cluster			28,222	28,222	
Youth Risk Behavior Survey	93.079		480	480	-
KDHE K-12 COVID Testing	93.323		26,790	26,737	53
Total U.S. Department of Health and Human Services			55,492	55,439	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast	10.553	-	224,405	224,405	-
National School Lunch Program	10.555	-	638,641	638,641	-
Summer Food Service Program for Children	10.559	-	102,200	102,200	-
Total Child Nutrition Cluster		-	965,246	965,246	-
Pandemic EBT Administrative Costs	10.649	-	614	614	-
Total U.S. Department of Agriculture			965,860	965,860	
Total Expenditures of Federal Awards			$ 1,812,423	$ 1,864,241	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 348

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

1. Organization

Unified School District No. 348, Baldwin City, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the Kansas regulatory basis of accounting, which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position as of June 30, 2022.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2022.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)		
Internal control over financial reporting:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
Noncompliance material to financial statements noted?	____ Yes	X No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X None reported	
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 section 510(a) of Uniform Guidance?	____ Yes	X No	

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	____ Yes	X No	

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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

Board of Education
Unified School District No. 348
Baldwin City, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 348 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2022.

Internal Control Over Financial Reporting

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

A deficiency in internal controls 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 financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Gordon CPA LLC

Certified Public Accountant
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December 6, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Unified School District No. 348
Baldwin City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 348, Baldwin City, Kansas (the District), 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 the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement 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 grants agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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 judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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 the 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 the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2022, and have issued our report thereon dated December 6, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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