

UNIFIED SCHOOL DISTRICT NO. 460

HESSTON, KANSAS

Financial Statement

For the Year Ended June 30, 2022

Unified School District No. 460

For the Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Unified School District No. 460  
Hesston, Kansas

### ***Adverse and Unmodified Opinions***

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 460, Hesston, Kansas (District), as of and for the year ended June 30, 2022 and the related disclosures to the financial statement.

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

### ***Unmodified Opinion on Regulatory Basis of Accounting***

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

### ***Basis for Adverse and Unmodified Opinions***

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

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

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

### ***Responsibilities of Management for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal

control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statement***

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

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

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

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

### ***Supplementary Information***

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

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Kruidsen, Monroe & Company, LLC*

Certified Public Accountants  
Newton, Kansas  
October 5, 2022

## Unified School District No. 460

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
Regulatory Basis

For the Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Funds</b>						
General	\$ -	6,357,570	6,357,570	-	8,468	8,468
Supplemental General	65,239	2,065,648	2,079,745	51,142	68,144	119,286
<b>Special Purpose Funds</b>						
At Risk (K-12)	150,000	532,353	532,353	150,000	-	150,000
Bilingual Education	20,000	20,813	20,813	20,000	-	20,000
Capital Outlay	1,629,928	940,288	579,152	1,991,064	78,619	2,069,683
Driver Training	26,907	12,336	5,849	33,394	-	33,394
Food Service	162,741	619,682	455,724	326,699	3,174	329,873
Professional Development	72,487	21,045	21,521	72,011	-	72,011
Parent Education	5,000	4,397	4,397	5,000	-	5,000
Special Education	400,000	1,114,660	1,114,660	400,000	-	400,000
Career and Postsecondary Education	51,828	234,927	234,927	51,828	-	51,828
KPERS Retirement	-	708,467	708,467	-	-	-
Recreation Commission	29,295	701,437	700,000	30,732	-	30,732
Recreation Commission Employee Benefits and Special Liability	12,413	50,213	45,199	17,427	-	17,427
Contingency Reserve	604,500	95,995	-	700,495	-	700,495
Textbook and Material Revolving	131,775	41,902	5,806	167,871	347	168,218
Gifts and Grants	12	-	-	12	-	12
Federal and State Government Programs						
Improving Basic Programs Operated by Local Educational Agencies (Title I)	-	68,201	68,201	-	-	-
Supporting Effective Instruction Program (Title II)	-	15,039	15,039	-	-	-
Student Support Academic Enrichment Program (Title IV)	-	13,505	13,505	-	-	-
Elementary and Secondary School Emergency Relief Fund II	(20,841)	178,293	157,452	-	-	-
Emergency Relief Fund III	-	69,469	120,949	(51,480)	-	(51,480)
KDHE COVID Testing Grant	-	98,700	98,700	-	-	-
<b>Bond and Interest Fund</b>	1,267,723	1,283,381	1,161,000	1,390,104	-	1,390,104
<b>District Activity Funds</b>						
Activity Gate Receipts	25,948	263,890	265,881	23,957	-	23,957
School Projects	22,834	7,066	8,886	21,014	-	21,014
<b>Total Reporting Entity</b>						
(Excluding Agency Funds)	\$ 4,657,789	15,519,277	14,775,796	5,401,270	158,752	5,560,022
<b>Composition of Cash</b>						
The Citizens State Bank						
Checking						\$ 498,379
Money Market						5,012,572
Savings						100
Petty Cash						4,000
Activity Funds						
Elementary School						11,804
Middle School						33,967
High School						69,065
Pit Stop						24,429
Total cash balance						5,654,316
Less Agency Funds (Schedule 3)						94,294
<b>Total Reporting Entity (excluding Agency Funds)</b>						\$ 5,560,022

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

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Unified School District No. 460, Hesston, Kansas, is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District No. 460 (District), a municipality.

Regulatory Basis Fund Types

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

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

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

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

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

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

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

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

Budgetary Information

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

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

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20<sup>th</sup>. The District held a revenue neutral rate hearing on August 23, 2021.

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

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

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

A legal operating budget is not required for Agency Funds or the following Special Purpose Funds: Contingency Reserve, Textbook and Material Revolving, Gifts & Grants, and Federal and State Government Programs.

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

Reimbursements

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The Elementary and Secondary School Emergency Relief (ESSER III) Fund reflects a negative ending unencumbered cash balance of \$51,480 for the year ending June 30, 2022. K.S.A. 10-1116a provides that under certain situations, a fund can end the year with a negative unencumbered cash balance and therefore, be exempt from the cash basis law of the State of Kansas. This fund met the criteria under the statute, and is therefore, deemed to not be in violation of the Kansas cash basis law.

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

3. DEPOSITS AND INVESTMENTS

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

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

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

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

At June 30, 2022, the District's carrying amount of deposits was \$5,654,316 and the bank balance was \$5,628,662. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$5,378,662 was collateralized with securities held by the pledging financial institution's agents in the District's name.

4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$334,049 subsequent to June 30, 2022, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

5. OPERATING LEASES

The District entered into operating lease agreements for copiers, printers and a postage meter for a total of 63 months. Payments totaling \$53,929 were made during the year ended June 30, 2022. Under the current lease agreements, the future scheduled minimum payments are as follows:

2023	\$ 58,514
2024	58,514
2025	14,412

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

6. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions /Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>									
School Improvement Series 2015, Refunding	2.0-3.0%	07/01/15	\$7,360,000	09/01/2022	\$ 2,255,000	-	1,110,000	1,145,000	51,000

Current maturity of long-term debt and interest through maturity is as follows:

	Year Ending June 30, 2023
<b>General Obligation Bonds</b>	
Principal	\$ 1,145,000
Interest	17,175
Total principal and interest	<u>\$ 1,162,175</u>

Subsequent Event – General Obligation Bonds

A special bond election was held on August 30, 2022. Local constituents approved issuing General Obligation School Improvement Bonds, not to exceed \$33,475,000, to be used to improve education and the learning environment in the District's buildings.

7. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	At Risk (K-12)	K.S.A. 72-5167	\$ 291,169
General	Capital Outlay	K.S.A. 72-5167	248,734
General	Food Service	K.S.A. 72-5167	5,392
General	Professional Development	K.S.A. 72-5167	21,000
General	Special Education	K.S.A. 72-5167	582,331
General	Contingency Reserve	K.S.A. 72-5167	95,995
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	241,184
Supplemental General	Bilingual Education	K.S.A. 72-5143	20,813
Supplemental General	Parent Education	K.S.A. 72-5143	4,397
Supplemental General	Special Education	K.S.A. 72-5143	499,231
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	224,493

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

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

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

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2022, with a 0% moratorium for the period July 1, 2021 through June 30, 2022.

Compensated Absences

The District's personnel policies grant compensated absences in the form of vacation and sick days for each school year. Full-time classified employees earn five days of paid vacation upon completion of six months of employment. From one through nine years of service, ten days of paid vacation is earned. After ten years of service, classified employees earn fifteen days of paid vacation per year. After twenty years of service, classified employees earn twenty days of paid vacation per year. Vacation days cannot be accumulated. Certified employees earn no vacation.

Classified and certified employees earn 15 days of paid sick leave each year which can be accumulated to a maximum of 45 days. Unused sick leave of up to 30 days is paid to terminating employees at the rate of \$10 per day.

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

9. DEFINED BENEFIT PENSION PLAN

Plan Description

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

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1,

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

9. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$708,467 for the year ended June 30, 2022.

Net Pension Liability

At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was \$5,412,931. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

10. RISK MANAGEMENT

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, not all grant expenditures have been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2021 to 2022, and there were no settlements that exceeded insurance coverage in the past three years.

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

11. RELATED PARTY TRANSACTIONS

The District is the taxing authority for Hesston Recreation & Community Education (HRCE), which operates recreational programs within the District. The District and the City of Hesston each appoint two members of the recreation commission board. During the fiscal year ended June 30, 2022, the District levied a total tax of 13.19 mills for the Recreation and Recreation Employee Benefit and Liability funds, which in turn is appropriated to HRCE for its operations. The financial activity of HRCE is not included in the accompanying financial statement.

12. CORONAVIRUS PANDEMIC

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

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

Unified School District No. 460  
NOTES TO FINANCIAL STATEMENT  
June 30, 2022

13. DATE OF MANAGEMENT REVIEW

Management has performed an analysis of the activities and transactions subsequent to June 30, 2022, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through October 5, 2022, which is the date at which the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 460

HESSTON, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

Unified School District No. 460  
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET  
Regulatory Basis  
For the Year Ended June 30, 2022

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
<b>GENERAL FUNDS</b>						
General	\$ 6,349,806	(108,238)	116,002	6,357,570	6,357,570	-
Supplemental General	2,095,741	(15,996)	-	2,079,745	2,079,745	-
<b>SPECIAL PURPOSE FUNDS</b>						
At Risk (K-12)	540,100	-	-	540,100	532,353	(7,747)
Bilingual Education	35,800	-	-	35,800	20,813	(14,987)
Capital Outlay	1,026,800	-	-	1,026,800	579,152	(447,648)
Driver Training	22,900	-	-	22,900	5,849	(17,051)
Food Service	455,725	-	-	455,725	455,724	(1)
Professional Development	64,350	-	-	64,350	21,521	(42,829)
Parent Education	5,000	-	-	5,000	4,397	(603)
Special Education	1,189,294	-	-	1,189,294	1,114,660	(74,634)
Career and Postsecondary Education	247,317	-	-	247,317	234,927	(12,390)
KPERS Retirement	793,539	-	-	793,539	708,467	(85,072)
Recreation Commission	700,000	-	-	700,000	700,000	-
Recreation Commission Employee Benefits and Special Liability	45,199	-	-	45,199	45,199	-
<b>BOND AND INTEREST FUND</b>	1,161,000	-	-	1,161,000	1,161,000	-

## Unified School District No. 460

**General Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**  
Regulatory Basis

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
GENERAL				
RECEIPTS				
General state aid	\$ 5,534,849	5,659,237	5,712,572	(53,335)
Special education state aid	636,042	582,331	637,234	(54,903)
Reimbursements	167,467	116,002	-	116,002
Total receipts	6,338,358	6,357,570	6,349,806	7,764
EXPENDITURES				
Instruction	3,642,308	3,470,459	3,694,599	(224,140)
Student support services	100,078	77,569	77,015	554
Instructional support services	146,904	169,665	188,650	(18,985)
General administration	406,533	343,967	278,600	65,367
School administration	541,761	551,821	564,950	(13,129)
Operations and maintenance	376,125	311,745	413,400	(101,655)
Student transportation	152,871	153,650	192,850	(39,200)
Other services	5,271	34,073	6,500	27,573
Transfer to				
At Risk (K-12)	132,879	291,169	296,008	(4,839)
Capital Outlay	180,254	248,734	-	248,734
Food Service	5,382	5,392	-	5,392
Professional Development	11,950	21,000	-	21,000
Special Education	636,042	582,331	637,234	(54,903)
Contingency Reserve	-	95,995	-	95,995
	6,338,358	6,357,570	6,349,806	7,764
Adjustment to comply with legal max	-	-	(108,238)	108,238
Legal general fund budget	6,338,358	6,357,570	6,241,568	116,002
Adjustment for qualifying budget credits	-	-	116,002	(116,002)
Total expenditures	6,338,358	6,357,570	6,357,570	-
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	-		

## Unified School District No. 460

**General Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**  
Regulatory Basis

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
SUPPLEMENTAL GENERAL				
RECEIPTS				
Tax in process	\$ 11,899	13,115	11,458	1,657
Current tax	797,170	751,665	770,422	(18,757)
Delinquent tax	6,016	5,106	4,086	1,020
Motor vehicle tax	98,340	90,874	92,801	(1,927)
Recreational vehicle tax	1,376	1,262	1,193	69
Commercial vehicle tax	5,782	6,030	6,753	(723)
16-20M truck tax	798	619	-	619
In lieu of tax	2,097	1,956	-	1,956
State aid	1,170,206	1,195,021	1,204,213	(9,192)
Total receipts	2,093,684	2,065,648	2,090,926	(25,278)
EXPENDITURES				
Instruction	167,505	162,621	145,000	17,621
Instructional support services	174,132	161,169	192,700	(31,531)
General administration	32,137	126,812	129,500	(2,688)
Operations and maintenance	557,084	538,724	679,150	(140,426)
Student transportation	49,845	66,225	99,231	(33,006)
Other support services	29,168	34,076	41,000	(6,924)
Transfer to				
At Risk (K-12)	209,960	241,184	97,871	143,313
Bilingual Education	73,227	20,813	15,800	5,013
Drivers Training	3,500	-	-	-
Professional Development	21,069	-	-	-
Parent Education	6,299	4,397	-	4,397
Special Education	498,668	499,231	500,000	(769)
Career and Postsecondary Education	228,600	224,493	195,489	29,004
	2,051,194	2,079,745	2,095,741	(15,996)
Adjustment to comply with legal max	-	-	(15,996)	15,996
Total expenditures	2,051,194	2,079,745	2,079,745	-
Receipts over (under) expenditures	42,490	(14,097)		
Unencumbered cash, beginning	22,749	65,239		
Unencumbered cash, ending	\$ 65,239	51,142		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>AT RISK (K-12)</b>				
<b>RECEIPTS</b>				
Transfer from				
General	\$ 132,879	291,169	296,008	(4,839)
Supplemental General	209,960	241,184	97,871	143,313
Total receipts	<u>342,839</u>	<u>532,353</u>	<u>393,879</u>	<u>138,474</u>
<b>EXPENDITURES</b>				
Instruction				
Salaries and benefits	131,146	326,067	320,400	5,667
Supplies and other	15,000	-	14,000	(14,000)
Student support services				
Salaries and benefits	<u>196,693</u>	<u>206,286</u>	<u>205,700</u>	<u>586</u>
Total expenditures	<u>342,839</u>	<u>532,353</u>	<u>540,100</u>	<u>(7,747)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	<u>150,000</u>	<u>150,000</u>		
Unencumbered cash, ending	<u>\$ 150,000</u>	<u>150,000</u>		
<b>BILINGUAL EDUCATION</b>				
<b>RECEIPTS</b>				
Transfer from				
Supplemental General	<u>\$ 73,227</u>	<u>20,813</u>	<u>15,800</u>	<u>5,013</u>
<b>EXPENDITURES</b>				
Instruction				
Salaries and benefits	73,227	20,765	34,100	(13,335)
Purchased services and supplies	-	48	1,700	(1,652)
Total expenditures	<u>73,227</u>	<u>20,813</u>	<u>35,800</u>	<u>(14,987)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	<u>20,000</u>	<u>20,000</u>		
Unencumbered cash, ending	<u>\$ 20,000</u>	<u>20,000</u>		

## Unified School District No. 460

**Special Purpose Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

## Regulatory Basis

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
CAPITAL OUTLAY				
RECEIPTS				
Tax in process	\$ 6,060	6,373	4,972	1,401
Current tax	387,931	398,507	383,839	14,668
Delinquent tax	2,820	2,410	1,986	424
Motor vehicle tax	45,076	45,575	46,541	(966)
Recreational vehicle tax	636	631	598	33
Commercial vehicle tax	2,773	2,948	3,386	(438)
16-20M truck tax	345	315	-	315
In lieu of tax	1,019	1,029	-	1,029
Interest on idle funds	8,539	9,736	-	9,736
Insurance and other	45,153	11,780	-	11,780
State aid	194,646	212,250	212,336	(86)
Transfer from General	180,254	248,734	-	248,734
Total receipts	875,252	940,288	653,658	286,630
EXPENDITURES				
Instruction	20,664	34,786	23,000	11,786
Operations and maintenance	244,653	436,355	499,800	(63,445)
Transportation	85,944	1,676	84,000	(82,324)
Equipment	-	47,533	-	47,533
Site and building improvements	163,584	58,802	420,000	(361,198)
Total expenditures	514,845	579,152	1,026,800	(447,648)
Receipts over (under) expenditures	360,407	361,136		
Unencumbered cash, beginning	1,269,521	1,629,928		
Unencumbered cash, ending	\$ 1,629,928	1,991,064		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>DRIVER TRAINING</b>				
<b>RECEIPTS</b>				
State safety aid	\$ 3,468	5,856	2,400	3,456
Tuition and other	7,780	6,480	-	6,480
Transfer from Supplemental General	3,500	-	-	-
Total receipts	14,748	12,336	2,400	9,936
<b>EXPENDITURES</b>				
Instruction				
Salaries and benefits	13,569	5,789	19,600	(13,811)
Other	82	60	1,500	(1,440)
Operations and maintenance	999	-	1,800	(1,800)
Total expenditures	14,650	5,849	22,900	(17,051)
Receipts over (under) expenditures	98	6,487		
Unencumbered cash, beginning	26,809	26,907		
Unencumbered cash, ending	\$ 26,907	33,394		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>FOOD SERVICE</b>				
<b>RECEIPTS</b>				
Lunch and breakfast sales	\$ 31,225	20,653	17,436	3,217
Federal aid	372,392	587,008	390,280	196,728
State aid	4,710	5,088	3,163	1,925
Interest on idle funds	343	395	-	395
Other	1,668	1,146	-	1,146
Transfer from General	5,382	5,392	-	5,392
Total receipts	415,720	619,682	410,879	208,803
<b>EXPENDITURES</b>				
Salaries and benefits	158,462	154,294	188,725	(34,431)
Food and supplies	201,716	300,048	235,000	65,048
Purchased services	14,738	1,382	12,000	(10,618)
Equipment	16,924	-	20,000	(20,000)
Total expenditures	391,840	455,724	455,725	(1)
Receipts over (under) expenditures	23,880	163,958		
Unencumbered cash, beginning	138,861	162,741		
Unencumbered cash, ending	\$ 162,741	326,699		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
<b>PROFESSIONAL DEVELOPMENT</b>				
<b>RECEIPTS</b>				
State aid	\$ 812	-	-	-
Reimbursements and other	60	45	-	45
Transfer from				
General	11,950	21,000	-	21,000
Supplemental General	21,069	-	-	-
Total receipts	<u>33,891</u>	<u>21,045</u>	<u>-</u>	<u>21,045</u>
<b>EXPENDITURES</b>				
Instructional support services				
Salaries and benefits	5,570	7,567	24,850	(17,283)
Purchased services and supplies	9,134	11,674	35,000	(23,326)
Other services	-	2,280	4,500	(2,220)
Total expenditures	<u>14,704</u>	<u>21,521</u>	<u>64,350</u>	<u>(42,829)</u>
Receipts over (under) expenditures	19,187	(476)		
Unencumbered cash, beginning	<u>53,300</u>	<u>72,487</u>		
Unencumbered cash, ending	<u>\$ 72,487</u>	<u>72,011</u>		
<b>PARENT EDUCATION</b>				
<b>RECEIPTS</b>				
Transfer from				
Supplemental General	\$ 6,299	4,397	-	4,397
<b>EXPENDITURES</b>				
Student support services				
Purchased services	<u>4,299</u>	<u>4,397</u>	<u>5,000</u>	<u>(603)</u>
Receipts over (under) expenditures	2,000	-		
Unencumbered cash, beginning	<u>3,000</u>	<u>5,000</u>		
Unencumbered cash, ending	<u>\$ 5,000</u>	<u>5,000</u>		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>SPECIAL EDUCATION</b>				
<b>RECEIPTS</b>				
Federal aid	\$ 11,151	33,098	-	33,098
Transfer from				
General	636,042	582,331	637,234	(54,903)
Supplemental General	498,668	499,231	500,000	(769)
Total receipts	<u>1,145,861</u>	<u>1,114,660</u>	<u>1,137,234</u>	<u>(22,574)</u>
<b>EXPENDITURES</b>				
Instruction				
Payment to Coop (assessments)	499,432	499,432	500,000	(568)
Payment to Coop (flowthrough)	624,887	592,147	637,244	(45,097)
Student transportation				
Salaries and benefits	16,314	18,413	36,050	(17,637)
Other	<u>5,228</u>	<u>4,668</u>	<u>16,000</u>	<u>(11,332)</u>
Total expenditures	<u>1,145,861</u>	<u>1,114,660</u>	<u>1,189,294</u>	<u>(74,634)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	<u>400,000</u>	<u>400,000</u>		
Unencumbered cash, ending	<u>\$ 400,000</u>	<u>400,000</u>		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
<b>CAREER AND POSTSECONDARY EDUCATION</b>				
<b>RECEIPTS</b>				
Vocational fees	\$ 91	705	-	705
Federal aid	-	9,729	-	9,729
Transfer from				
Supplemental General	228,600	224,493	195,489	29,004
Total receipts	228,691	234,927	195,489	39,438
<b>EXPENDITURES</b>				
Salaries and benefits	191,786	191,394	195,367	(3,973)
Other purchased services	11,424	20,753	26,000	(5,247)
Equipment and furnishings	22,914	21,300	23,450	(2,150)
Supplies	2,561	1,480	2,500	(1,020)
Total expenditures	228,685	234,927	247,317	(12,390)
Receipts over (under) expenditures	6	-		
Unencumbered cash, beginning	51,822	51,828		
Unencumbered cash, ending	\$ 51,828	51,828		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
<b>KPERS RETIREMENT</b>				
<b>RECEIPTS</b>				
State aid	\$ 687,046	708,467	793,539	(85,072)
<b>EXPENDITURES</b>				
Instruction	432,839	446,334	499,930	(53,596)
Student support services	27,482	28,339	31,742	(3,403)
Instructional support services	41,223	42,508	47,612	(5,104)
General administration	27,482	28,339	31,742	(3,403)
School administration	54,964	56,677	63,483	(6,806)
Other supplemental services	20,611	21,254	23,806	(2,552)
Operations and maintenance	48,093	49,593	55,548	(5,955)
Student transportation services	13,741	14,169	15,870	(1,701)
Food service operations	20,611	21,254	23,806	(2,552)
Total expenditures	687,046	708,467	793,539	(85,072)
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	-		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over
				(Under)
RECREATION COMMISSION				
RECEIPTS				
Tax in process	\$ 9,489	9,957	8,695	1,262
Current tax	605,226	608,742	586,461	22,281
Delinquent tax	4,532	3,761	3,102	659
Motor vehicle tax	73,407	71,306	72,812	(1,506)
Recreational vehicle tax	1,033	986	936	50
Commercial vehicle tax	4,439	4,608	5,298	(690)
16-20M truck tax	576	493	-	493
In lieu of tax	1,592	1,584	-	1,584
Total receipts	700,294	701,437	677,304	24,133
EXPENDITURES				
Appropriation to recreation commission	700,000	700,000	700,000	-
Receipts over (under) expenditures	294	1,437		
Unencumbered cash, beginning	29,001	29,295		
Unencumbered cash, ending	\$ 29,295	30,732		

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
RECREATION COMMISSION EMPLOYEE				
BENEFITS AND SPECIAL LIABILITY				
RECEIPTS				
Tax in process	\$ 683	718	627	91
Current tax	43,628	43,535	41,935	1,600
Delinquent tax	323	273	223	50
Motor vehicle tax	5,285	5,136	5,240	(104)
Recreational vehicle tax	74	71	67	4
Commercial vehicle tax	320	332	381	(49)
16-20M truck tax	41	35	-	35
In lieu of tax	115	113	-	113
Total receipts	50,469	50,213	48,473	1,740
EXPENDITURES				
Appropriation to recreation commission	45,199	45,199	45,199	-
Receipts over (under) expenditures	5,270	5,014		
Unencumbered cash, beginning	7,143	12,413		
Unencumbered cash, ending	\$ 12,413	17,427		

## Unified School District No. 460

**Special Purpose Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL**  
Regulatory BasisFor the Year Ended June 30, 2022  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
<b>CONTINGENCY RESERVE</b>		
<b>RECEIPTS</b>		
Transfer from General	\$ -	95,995
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	-	95,995
Unencumbered cash, beginning	<u>604,500</u>	<u>604,500</u>
Unencumbered cash, ending	<u>\$ 604,500</u>	<u>700,495</u>
 <b>TEXTBOOK AND MATERIAL REVOLVING</b>		
<b>RECEIPTS</b>		
Fees	\$ 38,425	41,902
<b>EXPENDITURES</b>		
Textbooks and other	<u>23,585</u>	<u>5,806</u>
Receipts over (under) expenditures	14,840	36,096
Unencumbered cash, beginning	<u>116,935</u>	<u>131,775</u>
Unencumbered cash, ending	<u>\$ 131,775</u>	<u>167,871</u>
 <b>GIFTS AND GRANTS</b>		
<b>RECEIPTS</b>		
Local Source	\$ 12	-
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	12	-
Unencumbered cash, beginning	<u>-</u>	<u>12</u>
Unencumbered cash, ending	<u>\$ 12</u>	<u>12</u>

## Unified School District No. 460

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

For the Year Ended June 30, 2022

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

	<u>2021</u>	<u>2022</u>
<b>FEDERAL AND STATE GOVERNMENT PROGRAMS</b>		
<b>IMPROVING BASIC PROGRAMS OPERATED BY</b>		
<b>LOCAL EDUCATIONAL AGENCIES (TITLE I)</b>		
<b>RECEIPTS</b>		
Federal aid	\$ 73,873	68,201
<b>EXPENDITURES</b>		
Salaries and benefits	66,486	61,078
Purchased services	-	253
Other	500	-
Equipment and supplies	6,887	6,870
Total expenditures	<u>73,873</u>	<u>68,201</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>
<b>SUPPORTING EFFECTIVE INSTRUCTION</b>		
<b>PROGRAM (TITLE II)</b>		
<b>RECEIPTS</b>		
Federal and state grants	\$ 16,518	15,039
<b>EXPENDITURES</b>		
Salaries and benefits	12,556	5,490
Purchased services	-	9,257
Equipment and supplies	3,962	292
Total expenditures	<u>16,518</u>	<u>15,039</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>

## Unified School District No. 460

**Special Purpose Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL**  
Regulatory BasisFor the Year Ended June 30, 2022  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
<b>FEDERAL AND STATE GOVERNMENT PROGRAMS</b>		
<b>STUDENT SUPPORT ACADEMIC ENRICHMENT PROGRAM (TITLE IV)</b>		
<b>RECEIPTS</b>		
Federal and state grants	\$ 12,575	13,505
<b>EXPENDITURES</b>		
Purchased services	10,363	13,505
Equipment and supplies	2,212	-
Total expenditures	<u>12,575</u>	<u>13,505</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>
<b>ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND I</b>		
<b>RECEIPTS</b>		
Federal and state grants	\$ 46,679	-
<b>EXPENDITURES</b>		
Curriculum	7,208	-
Equipment and supplies	39,471	-
Total expenditures	<u>46,679</u>	<u>-</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	<u>\$ -</u>	<u>-</u>

## Unified School District No. 460

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

Regulatory Basis

For the Year Ended June 30, 2022

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

	<u>2021</u>	<u>2022</u>
<b>FEDERAL AND STATE GOVERNMENT PROGRAMS</b>		
<b>ELEMENTARY AND SECONDARY SCHOOL</b>		
<b>EMERGENCY RELIEF FUND II</b>		
<b>RECEIPTS</b>		
Federal and state grants	\$ -	178,293
<b>EXPENDITURES</b>		
Curriculum	2,496	101,766
Operations and maintenance	17,885	-
Equipment and supplies	460	55,686
Total expenditures	<u>20,841</u>	<u>157,452</u>
Receipts over (under) expenditures	(20,841)	20,841
Unencumbered cash, beginning	<u>-</u>	<u>(20,841)</u>
Unencumbered cash, ending	<u>\$ (20,841)</u>	<u>-</u>
 <b>ELEMENTARY AND SECONDARY SCHOOL</b>		
<b>EMERGENCY RELIEF FUND III</b>		
<b>RECEIPTS</b>		
Federal and state grants	\$ -	69,469
<b>EXPENDITURES</b>		
Salaries and benefits	-	90,750
Purchased services and supplies	-	30,199
Total expenditures	<u>-</u>	<u>120,949</u>
Receipts over (under) expenditures	-	(51,480)
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>(51,480)</u>

## Unified School District No. 460

**Special Purpose Funds****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL**  
Regulatory BasisFor the Year Ended June 30, 2022  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>2021</u>	<u>2022</u>
<b>FEDERAL AND STATE GOVERNMENT PROGRAMS</b>		
<b>STRENGTHENING PEOPLE AND REVITALIZING KANSAS (SPARK)</b>		
<b>RECEIPTS</b>		
Federal and state grants	\$ 392,927	-
<b>EXPENDITURES</b>		
Equipment and supplies	<u>392,927</u>	<u>-</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u><u>\$ -</u></u>	<u><u>-</u></u>
<b>KDHE COVID TESTING GRANT</b>		
<b>RECEIPTS</b>		
Federal and state grants	\$ -	98,700
<b>EXPENDITURES</b>		
Purchased services	<u>-</u>	<u>98,700</u>
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u><u>\$ -</u></u>	<u><u>-</u></u>

## Unified School District No. 460

**Bond and Interest Fund****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET**

## Regulatory Basis

For the Year Ended June 30, 2022

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>RECEIPTS</b>				
Tax in process	\$ 8,762	9,270	8,098	1,172
Current tax	563,438	603,052	580,990	22,062
Delinquent tax	4,477	3,651	2,888	763
Motor vehicle tax	73,161	66,017	67,418	(1,401)
Recreational vehicle tax	1,023	914	867	47
Commercial vehicle tax	4,283	4,285	4,906	(621)
16-20M truck tax	597	455	-	455
In lieu of tax	1,482	1,569	-	1,569
State aid	570,287	592,110	592,110	-
Interest	1,926	2,058	-	2,058
Total receipts	<u>1,229,436</u>	<u>1,283,381</u>	<u>1,257,277</u>	<u>26,104</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	1,080,000	1,110,000	1,110,000	-
Interest	83,850	51,000	51,000	-
Total expenditures	<u>1,163,850</u>	<u>1,161,000</u>	<u>1,161,000</u>	<u>-</u>
Receipts over (under) expenditures	65,586	122,381		
Unencumbered cash, beginning	<u>1,202,137</u>	<u>1,267,723</u>		
Unencumbered cash, ending	<u>\$ 1,267,723</u>	<u>1,390,104</u>		

## Unified School District No. 460

**Agency Funds****SUMMARY OF RECEIPTS AND DISBURSEMENTS**

Regulatory Basis

For the Year Ended June 30, 2022

	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
<b>STUDENT ORGANIZATIONS</b>				
High School				
Class funds	\$ -	12,170	8,087	4,083
Pit Stop	16,834	41,170	33,575	24,429
Other	45,044	78,652	74,031	49,665
Middle School				
Class funds	13,376	1,740	1,107	14,009
Grade School				
Class funds	396	1,000	965	431
Other	<u>1,701</u>	<u>3,737</u>	<u>3,761</u>	<u>1,677</u>
<b>Total Student Organization Funds</b>	<u>\$ 77,351</u>	<u>138,469</u>	<u>121,526</u>	<u>94,294</u>

## Unified School District No. 460

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

For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>ACTIVITY GATE RECEIPTS</b>						
High School						
Athletics	\$ 4,578	173,875	176,833	1,620	-	1,620
Concessions	3,720	28,967	28,121	4,566	-	4,566
Musicals	-	6,116	6,116	-	-	-
Other	-	34,727	27,085	7,642	-	7,642
Middle School						
Athletics	17,650	20,205	27,726	10,129	-	10,129
<b>Total Activity Gate Receipts</b>	<u>\$ 25,948</u>	<u>263,890</u>	<u>265,881</u>	<u>23,957</u>	<u>-</u>	<u>23,957</u>
<b>SCHOOL PROJECTS</b>						
High School	\$ 2,138	648	1,297	1,489	-	1,489
Middle School	11,307	2,226	3,704	9,829	-	9,829
Elementary School	9,389	4,192	3,885	9,696	-	9,696
<b>Total School Projects</b>	<u>\$ 22,834</u>	<u>7,066</u>	<u>8,886</u>	<u>21,014</u>	<u>-</u>	<u>21,014</u>

UNIFIED SCHOOL DISTRICT NO. 460  
OTHER SUPPLEMENTARY INFORMATION  
SINGLE AUDIT SECTION  
FOR THE YEAR ENDED JUNE 30, 2022

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

Board of Education  
Unified School District No. 460  
Hesston, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 460, Hesston Kansas (District), as of and for the year ended June 30, 2022, and the related disclosures to the financial statement, and have issued our report thereon dated October 5, 2022. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

## Report on Internal Control Over Financial Reporting

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

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

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

## Report on Compliance and Other Matters

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

### **Purpose of this Report**

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

*Krudsen, Monroe & Company, LLC*

Certified Public Accountants

Newton, Kansas

October 5, 2022

# Knudsen Monroe & Company LLC

512 N. Main St, Newton, Kansas 67114-2229

316 283-5366 • 316 283-8379 Fax

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

Board of Education  
Unified School District No. 460  
Hesston, Kansas

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Unified School District No. 460, Hesston, Kansas' (District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2022. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

#### ***Basis for Opinion on the Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material

noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Krudsen, Monroe & Company, LLC*

Certified Public Accountants  
Newton, Kansas  
October 5, 2022

Unified School District No. 460  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2022

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
COVID-19 National School Breakfast Program	10.553	D0460	\$ 53,120
COVID-19 National School Lunch Program	10.555	D0460	505,434
COVID-19 Summer Food Service Program for Children	10.559	D0460	<u>28,454</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>587,008</u></b>
<b><u>U.S. Department of Education</u></b>			
Passed through Kansas Department of Education			
Career and Technical Education - Carl Perkins Vocational Education	84.048	D0460	9,729
Title I, Grants to Local Educational Agencies	84.010	D0460	68,201
Supporting Effective Instruction State Grants	84.367A	D0460	15,039
Student Support and Academic Enrichment Program	84.424A	D0460	13,505
COVID-19 Elementary and Secondary School Emergency Relief Fund II	84.425D	D0460	157,452
COVID-19 Elementary and Secondary School Emergency Relief Fund III	84.425D	D0460	<u>120,949</u>
<b>Total U.S. Department of Education</b>			<b><u>384,875</u></b>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through Kansas Department of Health & Environment			
Epidemiology and Laboratory Capacity for Infectious Diseases			
K-12 COVID Testing Grant	93.323	D0460	<u>98,700</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>98,700</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,070,583</u></b>

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

Unified School District No. 460  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2022

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 460, Hesston, Kansas (District) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

C. INDIRECT COST RATE

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

Unified School District No. 460  
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
	<hr/>	<hr/>
Internal control over financial reporting:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported
Noncompliance material to financial statement noted?	_____ Yes	_____ <u>X</u> No

**Federal Awards**

Internal control over major programs:		
Material weakness(es) identified?	_____ Yes	_____ <u>X</u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
	<hr/>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_____ <u>X</u> No
Identification of major programs:		

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

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

**Section II - Financial Statement Findings**

There were no reportable findings

**Section III - Federal Award Findings and Questioned Costs**

There were no reportable findings