UNIFIED SCHOOL DISTRICT NO. 232

DeSoto, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2022

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
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November 14, 2022

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 232
DeSoto, Kansas

Independent Auditor's Report

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. 232 (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 they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG)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) and KMAAG. 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 audits. 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 the 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 KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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.

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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, 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, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ -	$ 47,543,702	$ 47,543,702	$ -	$ 4,303,461	$ 4,303,461
Supplemental General	561,924	-	15,959,601	15,682,850	838,675	641,685	1,480,360
Special Purpose Funds							
Preschool-Aged At-Risk	4,380	-	73,642	68,022	10,000	-	10,000
At-Risk (K-12)	123,762	-	2,546,055	2,543,460	126,357	-	126,357
Bilingual Education	21,535	-	500,841	492,376	30,000	-	30,000
Virtual Education	-	-	144,452	103,189	41,263	-	41,263
Capital Outlay	18,384,210	14,879	7,371,382	7,764,073	18,006,398	2,037,299	20,043,697
Drivers Training	2,115	-	53,629	37,370	18,374	-	18,374
Food Service	599,963	-	5,481,688	4,318,029	1,763,622	105,443	1,869,065
Professional Development	116,968	-	40,000	41,705	115,263	-	115,263
Parent Education	15,698	-	181,801	181,406	16,093	2,298	18,391
Special Education	807,723	-	13,630,083	13,436,668	1,001,138	-	1,001,138
Cost of Living	63,351	-	2,182,238	2,186,221	59,368	-	59,368
Vocational Education	105,600	-	2,242,496	2,198,096	150,000	3,379	153,379
Gifts and Grants	147,754	-	26,032	44,491	129,295	488	129,783
KPERS Special Contribution	-	-	6,767,481	6,767,481	-	-	-
Special Assessment	164,872	-	30,486	146,047	49,311	-	49,311
Title I	-	-	143,887	143,887	-	-	-
Title II-A - Teacher Quality	5,452	-	86,547	91,223	776	-	776
Title III-A - English Acquisition	(776)	-	22,322	22,198	(652)	-	(652)
Title IV - Safe/Drug Free	-	-	17,425	17,197	228	-	228
ESSER	(55,091)	-	1,209,381	1,448,328	(294,038)	100,985	(193,053)
Contingency Reserve	2,800,000	-	-	-	2,800,000	-	2,800,000
Textbook Student Materials	1,479,102	-	1,059,980	1,136,781	1,402,301	262,405	1,664,706
Special Reserve	2,351,187	-	4,934,591	5,334,190	1,951,588	-	1,951,588
KDHE Grant	-	-	69,146	95,974	(26,828)	-	(26,828)
District Activities Fund	899,189	-	2,025,507	2,071,948	852,748	-	852,748

(Continued)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
Bond and Interest Fund							
Bond and Interest Fund	$ 23,161,246	$ -	$ 17,390,246	$ 17,623,800	$ 22,927,692	$ -	$ 22,927,692
Capital Project Fund							
Capital Projects Fund	30,849,276	-	8,469	24,470,371	6,387,374	-	6,387,374
Total Reporting Entity (Excluding Agency Funds)	$ 82,609,440	$ 14,879	$ 131,743,110	$ 156,011,083	$ 58,356,346	$ 7,457,443	$ 65,813,789

Composition of Cash	
Checking	$ (4,168,572)
CDARS	600,024
Kansas Municipal Investment Pool	69,819,255
Total Cash	$ 66,250,707
Less: Agency funds per Schedule 3	(436,918)
Total Reporting Entity (Excluding Agency Funds)	$ 65,813,789

STATEMENT 1 (CONTINUED)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 232 (the District), is a municipal corporation governed by an elected seven member Board. This financial statement include all the funds for which the District is considered to be financially accountable. The District has no related municipal entities.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District:

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 revenue 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.

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

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, 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 funds. 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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

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

Title I	ESSER	KDHE Grant
Title II-A Teacher Quality	Contingency Reserve	District Activity
Title III-A English Acquisition	Textbook Student Materials Revolving	
Title IV Safe/Drug Free	Special Reserve	

Spending in funds which are not subject to the legal annual operating budget requirement are 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.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

Note 2: Deposits and Investments (Continued)

At June 30, 2022, the District had invested $69,819,255 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

The following is a summary of the District's investments:

		Investment Maturities (in Years)	
Investment Type	**Fair Value**	**Less than 1**	**1 - 2**
Kansas Municipal Investment Pool	$ 69,819,255	$ 69,819,255	$ -

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

Investment Type	**Percent of Investment**
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may 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 ($3,568,548) and the bank balance was $3,083,548. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $1,100,000 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the District's name with a fair value of $1,300,000 and a $2,000,000 line of credit.

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: Substance Receipt in Transit

The District received $1,941,253 in General State Aid and $406,945 in Supplemental General State Aid subsequent to June 30, 2022 and as required by K.S.A. 72-5135(d), these cash receipts were recorded as in-substance receipts in transit and included in the reporting for the year ended June 30, 2022.

Note 4: Compensated Absences

Vacation time off with pay is available to eligible employees who work a 260 day contract. Upon employment in an eligible position and continuing through 5 consecutive years of employment, the employee is entitled to 10 vacation days each year, accrued monthly.

Beginning on the anniversary of the 6th year of employment, the employee is entitled to 15 vacation days, accrued monthly. Vacation days are noncumulative to the next year.

The District grants all eligible employees short term leave at the rate of one day, equal to the hours worked per day, for every full month of service. In the event of termination or retirement, certified employees are compensated for unused short term leave at a rate of $40.00 per day. Classified employees, who give a two week notice of their resignation, are compensated for unused short term leave at a rate of $20.00 per day.

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

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

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

Note 5: Defined Benefit Pension Plan (Continued)

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 $6,767,481 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 $50,748,451. The net pension liability was measured as of June 30, 2020, 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, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 6: 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; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

Note 7: 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 agreements 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 negative effect on the financial statement of the District at June 30, 2022.

Note 8: Interfund Transfers

The District made the following operating transfers during the fiscal year. The transfers were approved by the Board of Education.

Fund From	Fund To	Statutory Authority	Amount
General fund	At-Risk (K-12)	K.S.A. 72-5167	$ 1,329,218
General fund	Virtual Education	K.S.A. 72-5167	138,609
General fund	Special Education	K.S.A. 72-5167	8,176,338
Supplemental General	Preschool-Aged At-Risk	K.S.A. 72-5143	73,642
Supplemental General	At-Risk (K-12)	K.S.A. 72-5143	1,211,187
Supplemental General	Bilingual Education	K.S.A. 72-5143	500,841
Supplemental General	Driver Training	K.S.A. 72-5143	3,534
Supplemental General	Professional Development	K.S.A. 72-5143	40,000
Supplemental General	Parent Education	K.S.A. 72-5143	78,044
Supplemental General	Special Education	K.S.A. 72-5143	3,093,330
Supplemental General	Vocational Education	K.S.A. 72-5143	2,100,371
Supplemental General	Textbook Student Materials Revolving	K.S.A. 72-5143	500,000
	Total Transfers		$ 17,245,114

Note 9: Capital Project Authorizations

In May of 2018, the Board of the District approved construction of bond projects in the amount of $85,000,000 for the purpose of constructing, furnishing, and equipping all schools within the District, as well as athletic fields and other school facilities.

At year-end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Expenditures to Date	Project Authorization
2018 Bond Project	$ 73,780,010	$ 85,000,000

Note 10: Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government 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 11: Subsequent Events

The District evaluated subsequent events through November 14, 2022, the date the financial statement is available to be issued.

Note 12: COVID-19

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 fiscal year 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.

Note 13: Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds									
Series 2009	4.14%	06/09/09	$ 25,000,000	9/1/2029	$ 1,220,000	$ -	$ 1,220,000	$ -	$ 713,400
Series 2011-A	2.26%	12/29/11	20,010,000	9/1/2023	2,375,000	-	2,375,000	-	59,376
Series 2015-A	1.63%	01/28/15	26,950,000	9/1/2023	11,300,000	-	4,040,000	7,260,000	377,750
Series 2015-B	3.01%	06/18/15	53,415,000	9/1/2035	35,900,000	-	3,815,000	32,085,000	1,342,331
Series 2019-A	2.43%	06/20/19	48,780,000	9/1/2039	48,780,000	-	-	48,780,000	1,326,600
Series 2020-A	1.92%	06/18/20	35,000,000	9/1/2040	35,000,000	-	-	35,000,000	893,800
Series 2020-B	1.54%	06/18/20	18,605,000	9/1/2035	18,605,000	-	475,000	18,130,000	500,175
Series 2021	1.22%	06/03/21	15,000,000	9/1/2035	19,330,000	-	-	19,330,000	485,368
Total Long-Term Debt					$ 172,510,000	$ -	$ 11,925,000	$ 160,585,000	$ 5,698,800

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2041	Total
Principal									
Series 2015-A	$ 4,385,000	$ 2,875,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,260,000
Series 2015-B	4,115,000	4,970,000	1,860,000	1,705,000	1,740,000	8,835,000	8,860,000	-	32,085,000
Series 2019-A	935,000	1,025,000	2,930,000	3,325,000	3,525,000	16,865,000	12,030,000	8,145,000	48,780,000
Series 2020-A	-	-	1,610,000	1,655,000	1,705,000	9,335,000	10,815,000	9,880,000	35,000,000
Series 2020-B	200,000	200,000	1,225,000	1,275,000	1,300,000	7,250,000	6,680,000	-	18,130,000
Series 2021	4,245,000	5,085,000	620,000	645,000	670,000	3,780,000	4,285,000	-	19,330,000
	$ 13,880,000	$ 14,155,000	$ 8,245,000	$ 8,605,000	$ 8,940,000	$ 46,065,000	$ 42,670,000	$ 18,025,000	$ 160,585,000
Interest									
Series 2015-A	$ 167,125	$ 28,750	$ -	$ -	$ -	$ -	$ -	$ -	$ 195,875
Series 2015-B	1,144,081	916,956	767,131	698,931	630,206	2,352,870	651,098	-	7,161,273
Series 2019-A	1,992,225	1,943,225	1,844,350	1,687,975	1,516,725	4,806,400	2,157,625	371,325	16,319,850
Series 2020-A	893,800	893,800	869,650	820,675	770,275	3,039,875	1,630,325	426,182	9,344,582
Series 2020-B	490,050	484,050	462,675	425,175	386,550	1,306,500	279,975	-	3,834,975
Series 2021	567,088	380,488	266,388	241,088	214,788	648,685	172,668	-	2,491,193
	$ 5,254,369	$ 4,647,269	$ 4,210,194	$ 3,873,844	$ 3,518,544	$ 12,154,330	$ 4,891,691	$ 797,507	$ 39,347,748

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2022

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 48,633,626	$ (1,089,924)	$ -	$ 47,543,702	$ 47,543,702	$ -
Supplemental General	16,028,249	(345,399)	-	15,682,850	15,682,850	-
Special Purpose Funds						
Preschool-Aged At-Risk Fund	124,380	-	-	124,380	68,022	(56,358)
At-Risk (K-12) Fund	2,783,390	-	-	2,783,390	2,543,460	(239,930)
Bilingual Education Fund	505,755	-	-	505,755	492,376	(13,379)
Virtual Education	107,866	-	-	107,866	103,189	(4,677)
Capital Outlay Fund	22,833,700	-	-	22,833,700	7,764,073	(15,069,627)
Driver Training Fund	78,315	-	-	78,315	37,370	(40,945)
Food Service Fund	5,477,000	-	-	5,477,000	4,318,029	(1,158,971)
Professional Development Fund	166,968	-	-	166,968	41,705	(125,263)
Parent Education Fund	181,406	-	-	181,406	181,406	-
Special Education Fund	14,051,120	-	-	14,051,120	13,436,668	(614,452)
Cost of Living Fund	2,228,778	-	-	2,228,778	2,186,221	(42,557)
Vocational Education Fund	2,436,842	-	-	2,436,842	2,198,096	(238,746)
Gifts and Grants Fund	331,255	-	-	331,255	44,491	(286,764)
Kansas Special Retirement Contribution Fund	7,640,704	-	-	7,640,704	6,767,481	(873,223)
Special Assessment Fund	175,000	-	-	175,000	146,047	(28,953)
Bond and Interest Fund						
Bond and Interest Fund	17,623,800	-	-	17,623,800	17,623,800	-
Total of all Funds	$ 141,408,154	$ (1,435,323)	$ -	$ 139,972,831	$ 121,178,986	$ (18,793,845)

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 47,543,702	$ 48,570,626	$ (1,026,924)
EXPENDITURES			
Instruction	$ 27,825,449	$ 28,106,581	$ (281,132)
Student support services	997,647	709,500	288,147
Instructional support staff	2,170,147	2,214,656	(44,509)
General administration	671,489	678,949	(7,460)
School administration	3,321,478	3,431,800	(110,322)
Central services	997,872	952,600	45,272
Operations and maintenance	1,915,455	1,645,700	269,755
Transfers out	9,644,165	10,893,840	(1,249,675)
Adjustment to comply with legal maximum	-	(1,089,924)	1,089,924
Total Expenditures	$ 47,543,702	$ 47,543,702	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem tax	$ 8,285,576	$ 244,683	$ 8,040,893
Delinquent tax	39,706	30,248	9,458
Other	87,858	-	87,858
County Sources			
Motor vehicle tax	873,739	831,546	42,193
Recreational tax	6,794	5,668	1,126
Commercial vehicle tax	28,946	27,480	1,466
State Sources			
State aid	6,636,982	6,783,155	(146,173)
Total Cash Receipts	$ 15,959,601	$ 7,922,780	$ 8,036,821
EXPENDITURES			
Instruction	$ 353,238	$ 2,844,555	$ (2,491,317)
Student support services	955,486	1,151,650	(196,164)
Instructional support staff	(724)	120,152	(120,876)
General administration	537,499	565,000	(27,501)
School administration	176,894	-	176,894
Operations and maintenance	3,466,838	2,408,368	1,058,470
Student transportation	2,592,670	2,371,101	221,569
Transfers out	7,600,949	6,567,423	1,033,526
Adjustment to comply with legal maximum	-	(345,399)	345,399
Total Expenditures	$ 15,682,850	$ 15,682,850	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 276,751		
UNENCUMBERED CASH - BEGINNING	561,924		
UNENCUMBERED CASH - ENDING	$ 838,675		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Transfers in	$ 73,642	$ 120,000	$ (46,358)
EXPENDITURES			
Instruction	$ 68,022	$ 95,350	$ (27,328)
Support services	-	29,030	(29,030)
Total Expenditures	$ 68,022	$ 124,380	$ (56,358)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,620		
UNENCUMBERED CASH - BEGINNING	4,380		
UNENCUMBERED CASH - ENDING	$ 10,000		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Tuition	$ 5,650	$ -	$ 5,650
Other Sources			
Transfers in	2,540,405	2,663,151	(122,746)
Total Cash Receipts	$ 2,546,055	$ 2,663,151	$ (117,096)
EXPENDITURES			
Instruction	$ 2,175,140	$ 2,384,586	$ (209,446)
Student support services	363,729	398,804	(35,075)
Student transportation	4,591	-	4,591
Total Expenditures	$ 2,543,460	$ 2,783,390	$ (239,930)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,595		
UNENCUMBERED CASH - BEGINNING	123,762		
UNENCUMBERED CASH - ENDING	$ 126,357		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Transfers in	$ 500,841	$ 430,000	$ 70,841
EXPENDITURES			
Instruction	$ 492,376	$ 505,755	$ (13,379)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 8,465		
UNENCUMBERED CASH - BEGINNING	21,535		
UNENCUMBERED CASH - ENDING	$ 30,000		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Tuition	$ 5,843	$ -	$ 5,843
Transfers In	138,609	-	138,609
Total Cash Receipts	$ 144,452	$ -	$ 5,843
EXPENDITURES			
Instruction	$ 92,396	$ 107,866	$ (15,470)
School Admin.	10,793	-	10,793
Total Expenditures	$ 103,189	$ 107,866	$ (15,470)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 41,263		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ 41,263		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem tax	$ 5,339,070	$ 5,217,086	$ 121,984
Delinquent tax	24,985	19,428	5,557
Interest on idle funds	48,389	-	48,389
Other	106,829	-	106,829
County Sources			
Motor vehicle tax	550,205	526,104	24,101
Recreational tax	4,048	3,586	462
Commercial vehicle tax	18,342	17,387	955
State Sources			
State aid	1,279,514	1,292,310	(12,796)
Total Cash Receipts	$ 7,371,382	$ 7,075,901	$ 295,481
EXPENDITURES			
Instruction	$ 3,184,717	$ 6,300,000	$ (3,115,283)
Student support services	12,935	1,400,000	(1,387,065)
Operations and maintenance	4,566,421	6,133,700	(1,567,279)
Facility acquisition and construction service	-	9,000,000	(9,000,000)
Total Expenditures	$ 7,764,073	$ 22,833,700	$ (15,069,627)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (392,691)		
UNENCUMBERED CASH - BEGINNING	18,384,210		
Cancelled Prior Year Encumbrances	14,879		
UNENCUMBERED CASH - ENDING	$ 18,006,398		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 29,355	$ 43,800	$ (14,445)
State Sources			
State aid	20,740	32,400	(11,660)
Other Sources			
Transfers in	3,534	-	3,534
Total Cash Receipts	$ 53,629	$ 76,200	$ (22,571)
EXPENDITURES			
Instruction	$ 33,838	$ 66,815	$ (32,977)
Operations and maintenance	3,532	11,500	(7,968)
Total Expenditures	$ 37,370	$ 78,315	$ (40,945)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 16,259		
UNENCUMBERED CASH - BEGINNING	2,115		
UNENCUMBERED CASH - ENDING	$ 18,374		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Food service	$ 783,671	$ 1,146,963	$ (363,292)
Interest on idle funds	28	50	(22)
State Sources			
State aid	39,501	32,000	7,501
Federal Sources			
Federal aid	4,658,488	4,140,425	518,063
Total Cash Receipts	$ 5,481,688	$ 5,319,438	$ 162,250
EXPENDITURES			
Food service	$ 4,318,029	$ 5,477,000	$ (1,158,971)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,163,659		
UNENCUMBERED CASH - BEGINNING	599,963		
UNENCUMBERED CASH - ENDING	$ 1,763,622		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Transfers in	$ 40,000	$ 50,000	$ (10,000)
EXPENDITURES			
Instructional support staff	$ 41,705	$ 166,968	$ (125,263)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,705)		
UNENCUMBERED CASH - BEGINNING	116,968		
UNENCUMBERED CASH - ENDING	$ 115,263		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 103,757	$ 103,953	$ (196)
Other Sources			
Transfers in	78,044	61,755	16,289
Total Cash Receipts	$ 181,801	$ 165,708	$ 16,093
EXPENDITURES			
Student support services	$ 180,956	$ 180,906	$ 50
Instructional support staff	450	500	(50)
Total Expenditures	$ 181,406	$ 181,406	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 395		
UNENCUMBERED CASH - BEGINNING	15,698		
UNENCUMBERED CASH - ENDING	$ 16,093		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 55,563	$ 90,000	$ (34,437)
Federal Sources			
Federal aid	2,304,852	1,697,027	607,825
Other Sources			
Transfers in	11,269,668	11,148,232	121,436
Total Cash Receipts	$ 13,630,083	$ 12,935,259	$ 694,824
EXPENDITURES			
Instruction	$ 11,709,688	$ 11,691,888	$ 17,800
Student support services	13,800	-	13,800
Instructional support staff	289,427	611,550	(322,123)
General administration	268,024	368,600	(100,576)
Operations and maintenance	4,567	7,555	(2,988)
Student transportation	1,151,162	1,371,527	(220,365)
Total Expenditures	$ 13,436,668	$ 14,051,120	$ (614,452)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 193,415		
UNENCUMBERED CASH - BEGINNING	807,723		
UNENCUMBERED CASH - ENDING	$ 1,001,138		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
COST OF LIVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem tax	$ 1,939,137	$ 63,647	$ 1,875,490
Delinquent tax	9,887	7,868	2,019
County Sources			
Motor vehicle tax	224,092	213,245	10,847
Recreational tax	1,647	1,453	194
Commercial vehicle tax	7,475	7,047	428
Total Cash Receipts	$ 2,182,238	$ 293,260	$ 1,888,978
EXPENDITURES			
Debt service	$ 2,186,221	$ 2,228,778	$ (42,557)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (3,983)		
UNENCUMBERED CASH - BEGINNING	63,351		
UNENCUMBERED CASH - ENDING	$ 59,368		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
VOCATIONAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 142,125	$ 180,000	$ (37,875)
Other Sources			
Transfers in	2,100,371	2,151,242	(50,871)
Total Cash Receipts	$ 2,242,496	$ 2,331,242	$ (88,746)
EXPENDITURES			
Instruction	$ 2,198,096	$ 2,436,842	$ (238,746)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 44,400		
UNENCUMBERED CASH - BEGINNING	105,600		
UNENCUMBERED CASH - ENDING	$ 150,000		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Contributions & donations	$ -	$ 130,000	$ (130,000)
Other	26,032	53,500	(27,468)
Total Cash Receipts	$ 26,032	$ 183,500	$ (27,468)
EXPENDITURES			
Instruction	$ 26,864	$ 156,000	$ (129,136)
Instructional support staff	17,627	175,255	(157,628)
Total Expenditures	$ 44,491	$ 331,255	$ (286,764)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (18,459)		
UNENCUMBERED CASH - BEGINNING	147,754		
UNENCUMBERED CASH - ENDING	$ 129,295		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 6,767,481	$ 7,640,704	$ (873,223)
EXPENDITURES			
KPERS payments	$ 6,767,481	$ 7,640,704	$ (873,223)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SPECIAL ASSESSMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem taxes	$ 11,832	$ 11,691	$ 141
Delinquent taxes	430	37	393
County Sources			
Motor vehicle taxes	17,788	16,745	1,043
recreational taxes	123	115	8
Commercial vehicle taxes	313	553	(240)
Total Cash Receipts	$ 30,486	$ 29,141	$ 1,345
EXPENDITURES			
Facility acquisition and construction	$ 146,047	$ 175,000	$ (28,953)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (115,561)		
UNENCUMBERED CASH - BEGINNING	164,872		
UNENCUMBERED CASH - ENDING	$ 49,311		

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
NONBUDGETED FUNDS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2022

	Title I	Title II-A Teacher Quality	Title III-A English Acquisition	Title IV Safe Drug Free	ESSER	Contingency Reserve	Textbook Student Materials Revolving	Special Reserve	KDHE Grant
CASH RECEIPTS									
Local Sources									
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ 559,980	$ 4,934,591	$ -
Federal Sources									
Federal aid	143,887	86,547	22,322	17,425	1,209,381	-	-	-	69,146
Other Sources									
Transfers in	-	-	-	-	-	-	500,000	-	-
Total Cash Receipts	$ 143,887	$ 86,547	$ 22,322	$ 17,425	$ 1,209,381	$ -	$ 1,059,980	$ 4,934,591	$ 69,146
EXPENDITURES									
Instruction	$ 143,887	$ 91,223	$ 20,325	$ 15,324	$ 1,094,839	$ -	$ 1,136,781	$ 5,334,190	$ -
Student support service	-	-	-	-	235,896	-	-	-	95,974
Instructional support staff	-	-	1,873	1,873	117,593	-	-	-	-
Total Expenditures	$ 143,887	$ 91,223	$ 22,198	$ 17,197	$ 1,448,328	$ -	$ 1,136,781	$ 5,334,190	$ 95,974
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (4,676)	$ 124	$ 228	$ (238,947)	$ -	$ (76,801)	$ (399,599)	$ (26,828)
UNENCUMBERED CASH - BEGINNING	-	5,452	(776)	-	(55,091)	2,800,000	1,479,102	2,351,187	-
UNENCUMBERED CASH - ENDING	$ -	$ 776	$ (652)	$ 228	$ (294,038)	$ 2,800,000	$ 1,402,301	$ 1,951,588	$ (26,828)

UNIFIED SCHOOL DISTRICT NO. 232
Emporia, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem taxes	$ 12,180,370	$ 11,892,496	$ 287,874
Delinquent tax	57,325	44,368	12,957
Interest on idle funds	19,771	5,000	14,771
County Sources			
Motor vehicle tax	1,318,321	1,253,598	64,723
Recreational vehicle tax	9,657	8,545	1,112
Commercial vehicle tax	43,060	41,429	1,631
State Sources			
State aid	3,761,742	3,780,930	(19,188)
Total Cash Receipts	$ 17,390,246	$ 17,026,366	$ 363,880
EXPENDITURES			
Debt service	$ 17,623,800	$ 17,623,800	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (233,554)		
UNENCUMBERED CASH - BEGINNING	23,161,246		
UNENCUMBERED CASH - ENDING	$ 22,927,692		

UNIFIED SCHOOL DISTRICT NO. 232
Emporia, Kansas
CAPITAL PROJECTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2022

CASH RECEIPTS	
Local Sources	
Interest on idle funds	$ 8,469
EXPENDITURES	
Facility acquisition and construction	$ 24,470,371
RECEIPTS OVER (UNDER) EXPENDITURES	(24,461,902)
UNENCUMBERED CASH - BEGINNING	30,849,276
UNENCUMBERED CASH - ENDING	$ 6,387,374

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 232
AGENCY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CASH BALANCE
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Cash Balance	Cash Receipts	Cash Disbursed	Ending Cash Balance
DeSoto High School	$ 78,411	$ 314,626	$ 300,828	$ 92,209
Mill Valley High School	114,897	216,443	214,434	116,906
Millcreek Middle School	22,813	63,111	55,316	30,608
Monticello Trails Middle School	45,498	31,809	24,504	52,803
Lexington Trails Middle School	13,725	19,022	16,015	16,732
Belmont Elementary School	3,858	1,420	2,684	2,594
Clear Creek Elementary School	4,733	1,760	1,836	4,657
Horizon Elementary School	1,905	1,722	1,940	1,687
Mize Elementary School	18,799	3,064	6,081	15,782
Prairie Ridge Elementary School	10,933	2,478	4,779	8,632
Riverview Elementary School	335	956	659	632
District Agency Fund	-	154,430	60,754	93,676
Total Agency Funds	$ 315,907	$ 810,841	$ 689,830	$ 436,918

UNIFIED SCHOOL DISTRICT NO. 232
DISTRICT ACTIVITIES FUND
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance Unencumbered Cash Balance
Gate Receipts							
DeSoto High School	$ 126,353	$ -	$ 205,743	$ 240,221	$ 91,875	$ -	$ 91,875
Mill Valley High School	114,491	-	351,744	345,168	121,067	-	121,067
Millcreek Middle School	1,354	-	2,335	1,935	1,754	-	1,754
Monticello Trails Middle School	4,911	-	3,507	866	7,552	-	7,552
Lexington Trails Middle School	4,631	-	2,224	3,749	3,106	-	3,106
Subtotal Gate Receipts	$ 251,740	$ -	$ 565,553	$ 591,939	$ 225,354	$ -	$ 225,354
School Projects							
DeSoto High School	$ 159,297	$ -	$ 341,969	$ 376,015	$ 125,251	$ -	$ 125,251
Mill Valley High School	180,803	-	443,853	464,224	160,432	-	160,432
Millcreek Middle School	2,537	-	105,962	99,178	9,321	-	9,321
Monticello Trails Middle School	139,129	-	157,328	150,908	145,549	-	145,549
Lexington Trails Middle School	34,623	-	78,451	69,221	43,853	-	43,853
Belmont Elementary School	23,136	-	41,211	39,531	24,816	-	24,816
Clear Creek Elementary School	13,604	-	63,812	61,712	15,704	-	15,704
Horizon Elementary School	17,379	-	36,324	34,059	19,644	-	19,644
Mize Elementary School	18,235	-	59,535	55,629	22,141	-	22,141
Prairie Ridge Elementary School	8,738	-	38,539	39,581	7,696	-	7,696
Riverview Elementary School	17,787	-	56,205	53,695	20,297	-	20,297
Starside Elementary School	32,181	-	36,765	36,256	32,690	-	32,690
Subtotal School Projects	$ 647,449	$ -	$ 1,459,954	$ 1,480,009	$ 627,394	$ -	$ 627,394
Total District Activity Funds	$ 899,189	$ -	$ 2,025,507	$ 2,071,948	$ 852,748	$ -	$ 852,748

November 14, 2022

Board of Education
Unified School District No. 232
DeSoto, Kansas

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 232 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated November 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing 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 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

VARNEY
& ASSOCIATES, CPAs, LLC

November 14, 2022

Board of Education
Unified School District No. 232
DeSoto, Kansas

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance In Accordance With the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 232's (the District), compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program have occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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 each of its major federal programs for the year ended June 30, 2022.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 Uniform Guidance. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	DO232	$ 401,665
National School Lunch Program	10.555	DO232	3,946,923
Summer Food Service Program for Children	10.559	DO232	309,287
Total Child Nutrition Cluster			$ 4,657,875
Federal School Food Service	10.560	DO232	$ 349
COVID-19 Coronavirus	10.649	DO232	614
Total U.S. Department of Agriculture			$ 4,658,838
U.S. Department of Education			
Passed through Kansas Department of Education			
Special Education (IDEA) Cluster			
Special Education Grants to States	84.027	DO232	$ 1,580,756
Special Education Preschool Grants	84.173	DO232	47,827
Total Special Education (IDEA) Cluster)			$ 1,628,583
Title I - Grants to Local Educational Agencies	84.010	DO232	$ 143,887
Career and Technical Education - Basic Grants to States	84.048	DO232	137,125
English Language Acquisition State Grants	84.365	DO232	22,198
Supporting Effective Instruction State Grants	84.367	DO232	91,178
ESSA Student Support Academic Enrichment	84.424	DO232	17,197
COVID-19 - Emergency and Secondary Emergency Relief	84.425D	DO232	1,783,640
Total U.S. Department of Education			$ 3,823,808
U.S. Department of Health and Human Services			
Passed through Kansas Department of Education			
Youth Risk Behavior Survey	93.079	DO232	$ 4,227
KDHE K-12 COVID Testing Grant	93.323	DO232	69,146
Total U.S. Department of Health and Human Services			$ 73,373
TOTAL FEDERAL EXPENDITURES			$ 8,556,019

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

Note 1: Organization

Unified School District No. 232, DeSoto, 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.

Note 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 statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 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.

Note 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 at June 30, 2022.

Note 5: Outstanding Loans

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

Note 6: Sub-receipient Grants

No federal awards were passed through to subrecipients.

Note 7: 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. 232
DeSoto, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statement noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Reportable conditions identified 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	___ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number
Child Nutrition Cluster	10.553, 10.555 and 10.559
Emergency and Secondary Emergency Relief	84.425D

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

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.