UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
and
UNIFORM GUIDANCE REPORTS

YEAR ENDED JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 215
Lakin, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 215, 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 Unified School District No. 215, 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 balances of Unified School District No. 215, 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 A.

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 of America, 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 Unified School District No. 215 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 A of the financial statement, the financial statement is prepared by Unified School District No. 215 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 A 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 A; 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, which raise substantial doubt about Unified School District No. 215's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- exercise professional judgement 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 Unified School District No. 215'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, which raise substantial doubt about Unified School District No. 215'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 (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, and summary of regulatory basis receipts and disbursements – 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 a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for additional analysis as required by the Title *2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 215 as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated February 11, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits.
The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 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 A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated February 10, 2023, on our consideration of Unified School District No. 215'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 215's internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

February 10, 2023

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2022

Funds	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General funds:		
General	$ 7,138	$ -
Supplemental general	163,107	-
Total general funds	170,245	-
Special purpose funds:		
Capital outlay	1,802,073	-
Driver training	73,844	-
At-risk (K-12)	-	-
Food service	93,231	-
Professional development	261	-
Preschool-aged at-risk	-	-
Special education	1,796	-
Career and postsecondary education	-	-
Bilingual	8,652	-
Recreation commission	7,457	-
Recreation commission special liability	37	-
KPERS retirement contributions	-	-
Contingency reserve	352,323	24,603
Textbook and student materials revolving	96,642	3,710
Gifts and grants	21,444	-
Title I	9,156	-
Title IVA drug awareness education	-	-
Title II, part A teacher quality	(1,159)	-
Federal REAP grant	(14)	-
Migrant program	4,338	-
CARES Act	8,188	-
Daycare	-	-
ESSER II	(135,751)	-
ESSER III	-	-
District activity funds	78,477	-
Total special purpose funds	2,420,995	28,313
Total Unified School District No. 215 (excluding agency funds)	$ 2,591,240	$ 28,313

Receipts	Expenditures	Ending unencumbered cash balance (deficit)	Add encumbrances and accounts payable	Ending cash balance (deficit)
$ 5,538,883	$ 5,546,021	$ -	$ -	$ -
1,746,987	1,719,269	190,825	7,447	198,272
7,285,870	7,265,290	190,825	7,447	198,272
630,850	1,615,178	817,745	186,925	1,004,670
10,242	12,708	71,378	-	71,378
769,260	757,905	11,355	-	11,355
480,769	444,309	129,691	8,218	137,909
11,000	11,261	-	-	-
24,920	24,600	320	-	320
662,054	663,850	-	-	-
206,200	206,200	-	-	-
68,997	77,649	-	-	-
305,045	277,647	34,855	-	34,855
15	37	15	-	15
693,305	693,305	-	-	-
19,418	48,621	347,723	-	347,723
85,844	62,787	123,409	-	123,409
63,941	13,667	71,718	-	71,718
138,908	148,064	-	-	-
16,773	12,240	4,533	-	4,533
16,039	20,101	(5,221)	1,250	(3,971)
-	24,031	(24,045)	2,299	(21,746)
105,500	105,526	4,312	-	4,312
-	8,188	-	-	-
78,247	78,247	-	-	-
478,839	343,088	-	-	-
-	420,259	(420,259)	250,000	(170,259)
124,135	136,327	66,285	-	66,285
4,990,301	6,205,795	1,233,814	448,692	1,682,506
$ 12,276,171	$ 13,471,085	$ 1,424,639	$ 456,139	$ 1,880,778

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2022

	Ending cash balance
Composition of cash balance:	
Money market accounts	$ 1,822,369
Demand deposits of activity funds	121,183
Total cash	1,943,552
Agency funds	(62,774)
Total Unified School District No. 215 (excluding agency funds)	$ 1,880,778

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

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

NOTES TO THE FINANCIAL STATEMENT

June 30, 2022

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

   Unified School District No. 215 is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. This financial statement does not include the following related municipal entity:

   Lakin Recreation Commission. The Commission oversees recreational activities. Four of the five members of the governing board are appointed by the Board of Education. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

   The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

   REGULATORY BASIS FUND TYPES

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

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

   Agency funds – used to report assets held by the municipal financial reporting entity in a purely custodial capacity (i.e. student organization funds, etc.).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. 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.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for general funds and special purpose funds (unless specifically exempted by statute). Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

a. Preparation of the budget for the succeeding year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

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. For the current year, 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.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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

A legal operating budget is not required for state and federal grant funds, district activity funds, agency funds, and the following special purpose funds:

Contingency Reserve	Textbook and Student Materials Revolving
Gifts and Grants	Daycare

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.

5. In-Substance Receipt in Transit

The District received $252,664 subsequent to June 30, 2022 and as required by K.S.A. 72-5135 and 72-5145 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration to the Director of Accounts and Reports, the State Department of Education, and legal representatives of the District.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. Although the Title II, Part A Teacher Quality, Federal REAP grant, and ESSER III funds overspent their cash balances, according to K.S.A. 12-1664, the District is not prohibited from financing the federal share of a local program from current funds, if available.

C. 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.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

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 $1,943,552 and the bank balance was $2,354,344. Of the bank balance, $250,000 was covered by federal depository insurance and $2,104,344 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

D. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions	Reductions/ net change	Balance end of year	Interest paid
Capital leases:					
Kitchen equipment:					
Issued June 12, 2018					
In the amount of $600,000					
At interest rates of 3.68%					
Maturing August 1, 2023	$ 315,501	$ -	$ 122,711	$ 192,790	$ 10,628
Equipment:					
Issued May 10, 2021					
In the amount of $1,900,000					
At interest rates of 2.40%					
Maturing August 1, 2031	1,900,000	-	74,900	1,825,100	33,096
MacBooks:					
Issued January 15, 2021					
In the amount of $148,010					
At interest rates of 0.69%					
Maturing January 15, 2023	98,334	-	98,334	-	1,019
Total	$2,313,835	$ -	$ 295,945	$2,017,890	$ 44,743

Current maturity of capital leases and interest for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2023	$ 300,557	$ 48,776	$ 349,333
2024	242,865	39,798	282,663
2025	181,690	34,304	215,994
2026	186,077	29,917	215,994
2027	190,570	25,424	215,994
2028-2032	916,131	55,842	971,973
Total	$ 2,017,890	$ 234,061	$ 2,251,951

E. OPERATING LEASES

The District has entered into operating lease agreements for copier rental and maintenance. Rental and maintenance payments for the current year totaled $20,952. The operating lease agreement expires in the year 2026.

The following is a yearly schedule of future minimum rental payments under the operating lease:

2023	$ 20,952
2024	20,952
2025	20,952
2026	7,112
Total	$ 69,968

F. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
Daycare and Auditorium	$ 605,806	$ 605,806	$ -
Football Field Turf and Track	1,016,028	1,016,028	-
High School Gym Floor	77,900	77,900	-
High School Shop Roof	141,184	140,784	400
Middle School HVAC	441,867	27,045	414,822
Bus Barn Re-Skin	5,000	4,250	750
Total	$ 2,287,785	$ 1,871,813	$ 415,972

G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Amount	Regulatory Authority
General fund	At-risk (K-12) fund	$ 586,838	K.S.A. 72-5167
General fund	Professional development fund	11,000	K.S.A. 72-5167
General fund	Special education fund	614,071	K.S.A. 72-5167
General fund	Career and postsecondary education fund	7,210	K.S.A. 72-5167
General fund	Bilingual	31,373	K.S.A. 72-5167
General fund	Contingency reserve fund	19,418	K.S.A. 72-5167
Total general fund		1,269,910	
Supplemental general fund	At-risk (K-12) fund	171,067	K.S.A. 72-5143
Supplemental general fund	Special education fund	11,272	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	198,990	K.S.A. 72-5143
Supplemental general fund	Bilingual fund	36,447	K.S.A. 72-5143
Total supplemental general fund		417,776	

G. INTERFUND TRANSFERS (CONTINUED)

From	To	Amount	Regulatory Authority
Contingency reserve fund	Bilingual fund	$ 1,177	K.S.A. 72-5165
Total operating transfers		$1,688,863	

H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

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

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 was set at 1% for the year ended June 30, 2022.

Section 125 plan. The District offers a Section 125 flexible benefit plan to all eligible employees. It is used for insurance premiums, other medical costs, and childcare costs. The plan is administered by an independent company. The District withholds the amounts from the employee's paycheck and remits the withholdings to the plan administrator.

Compensated absences. The District's policy grants employees on twelve-month contracts ten days of vacation per year. Discretionary leave of twelve days is credited annually to each full time employee and days not used may accumulate to a total of 60 days. Certified employees also receive two additional days reduced by a $110 per day substitute deduction. When certain conditions are met, accumulated vacation time is paid to the employee upon retirement. Certified employees retiring under KPERS are eligible to receive $50 per day for accumulated sick leave, and classified employees retiring under KPERS are eligible to receive $35 per day for accumulated sick leave.

I. DEFINED BENEFIT PENSION PLAN

General Information about the 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, by writing to KPERS (611 South Kansas, Suite 100; Topeka, KS 66603), or by calling 1-888-275-5737.

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate 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 per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194 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 $693,305 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 $5,548,598. 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 the financial statement.

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

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.

J. 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 injuries to employees. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

K. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and 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 effect on this financial statement.

L. CORONAVIRUS (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 result of operations. The District 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 2023.

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.

M. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 10, 2023, and does not believe any events have occurred which affect the financial statement as presented except for the ongoing concern regarding the novel strain of coronavirus (COVID-19) as discussed in Note L above.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022

Funds	Certified budget	Adjustment to comply with legal maximum budget	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General funds:					
General	$ 5,744,614	$ (198,593)	$ 5,546,021	$ 5,546,021	$ -
Supplemental general	1,780,851	(61,582)	1,719,269	1,719,269	-
Special purpose funds:					
Capital outlay	2,602,666	-	2,602,666	1,615,178	987,488
Driver training	85,754	-	85,754	12,708	73,046
At-risk (K-12)	900,675	-	900,675	757,905	142,770
Food service	461,760	-	461,760	444,309	17,451
Professional development	11,261	-	11,261	11,261	-
Preschool-aged at-risk	24,600	-	24,600	24,600	-
Special education	697,486	-	697,486	663,850	33,636
Career and postsecondary education	206,200	-	206,200	206,200	-
Bilingual	88,652	-	88,652	77,649	11,003
Recreation commission	277,647	-	277,647	277,647	-
Recreation commission special liability	37	-	37	37	-
KPERS retirement contributions	772,197	-	772,197	693,305	78,892
	$ 13,654,400	$ (260,175)	$ 13,394,225	$ 12,049,939	$ 1,344,286

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State sources:				
State aid	$ 5,077,259	$ 5,065,044	$ 5,280,157	$ (215,113)
Special education aid	394,032	397,195	440,078	(42,883)
Mineral production tax	17,904	76,644	17,241	59,403
Total receipts	5,489,195	5,538,883	$ 5,737,476	$ (198,593)
Expenditures:				
Instruction	3,549,925	3,111,621	$ 3,599,116	$ 487,495
Student support services	23,773	718	-	(718)
Instructional support staff	5,047	4,029	-	(4,029)
General administration	465,549	321,737	265,500	(56,237)
School administration	589,686	578,345	585,400	7,055
Operations and maintenance	220,956	71,725	-	(71,725)
Student transportation services:				
Vehicle operating services	113,408	146,880	-	(146,880)
Vehicle and maintenance services	108,190	41,056	-	(41,056)
Operating transfers	406,266	1,269,910	1,294,598	24,688
Adjustment to comply with legal maximum budget	-	-	(198,593)	(198,593)
Total expenditures	5,482,800	5,546,021	$ 5,546,021	$ -
Receipts over (under) expenditures	6,395	(7,138)		
Unencumbered cash, beginning of year	743	7,138		
Unencumbered cash, end of year	$ 7,138	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 30,967	$ 32,119	$ 35,610	$ (3,491)
Current tax	1,216,973	1,132,274	999,231	133,043
Delinquent tax	11,441	20,204	12,788	7,416
Motor vehicle tax and recreational vehicle tax	102,502	86,152	99,612	(13,460)
State aid	338,869	476,238	493,296	(17,058)
Total receipts	1,700,752	1,746,987	$ 1,640,537	$ 106,450
Expenditures:				
Instruction	55,977	141,778	$ 124,191	$ (17,587)
General administration	24,400	198,763	-	(198,763)
School administration	-	5,655	-	(5,655)
Operations and maintenance	568,162	874,118	838,500	(35,618)
Student transportation services:				
Vehicle operating services	-	4,776	120,060	115,284
Vehicle and maintenance services	-	37,682	97,533	59,851
Community service operations	33,686	38,721	-	(38,721)
Operating transfers	976,457	417,776	600,567	182,791
Adjustment to comply with legal maximum budget	-	-	(61,582)	(61,582)
Total expenditures	1,658,682	1,719,269	$ 1,719,269	$ -
Receipts over (under) expenditures	42,070	27,718		
Unencumbered cash, beginning of year	117,837	163,107		
Prior year canceled encumbrances	3,200	-		
Unencumbered cash, end of year	$ 163,107	$ 190,825		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 15,769	$ 11,660	$ 11,364	$ 296
Current tax	443,226	431,123	377,600	53,523
Delinquent tax	5,016	8,288	4,641	3,647
Motor vehicle tax and recreational vehicle tax	42,531	38,414	45,463	(7,049)
State aid	4,081	136,287	137,713	(1,426)
Interest	1,891	4,642	15,000	(10,358)
Lease proceeds	1,900,000	-	-	-
Other	150	436	-	436
Total receipts	2,412,664	630,850	$ 591,781	$ 39,069
Expenditures:				
Instruction	14,818	15,608	$ 40,000	$ 24,392
General administration	12,904	25,645	20,000	(5,645)
School administration	835	22,545	-	(22,545)
Operations and maintenance	13,741	76,137	120,000	43,863
Transportation	-	-	80,000	80,000
Other support services	-	-	130,000	130,000
Facility acquisition and construction services	1,446,534	1,233,908	2,212,666	978,758
Debt service:				
Principal	59,614	197,611	-	(197,611)
Interest	7,056	43,724	-	(43,724)
Total expenditures	1,555,502	1,615,178	$ 2,602,666	$ 987,488
Receipts over (under) expenditures	857,162	(984,328)		
Unencumbered cash, beginning of year	929,401	1,802,073		
Prior year canceled encumbrances	15,510	-		
Unencumbered cash, end of year	$ 1,802,073	$ 817,745		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 4,080	$ 6,832	$ 6,960	$ (128)
Other	11,857	3,410	4,950	(1,540)
Total receipts	15,937	10,242	$ 11,910	$ (1,668)
Expenditures:				
Instruction	12,470	12,176	$ 16,525	$ 4,349
Vehicle and maintenance services	211	532	69,229	68,697
Total expenditures	12,681	12,708	$ 85,754	$ 73,046
Receipts over (under) expenditures	3,256	(2,466)		
Unencumbered cash, beginning of year	70,588	73,844		
Unencumbered cash, end of year	$ 73,844	$ 71,378		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

AT-RISK (K-12) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Other	$ -	$ 11,355	$ -	$ 11,355
Transfer from general fund	-	586,838	704,959	(118,121)
Transfer from supplemental general fund	623,659	171,067	195,716	(24,649)
Total receipts	623,659	769,260	$ 900,675	$ (131,415)
Expenditures:				
Instruction	638,461	757,905	$ 900,675	$ 142,770
Receipts over (under) expenditures	(14,802)	11,355		
Unencumbered cash, beginning of year	14,802	-		
Unencumbered cash, end of year	$ -	$ 11,355		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Charges for services	$ 35,332	$ 26,775	$ 11,126	$ 15,649
Federal aid	392,777	450,858	397,966	52,892
State aid	4,123	3,136	2,598	538
Transfer from supplemental general fund	12,205	-	-	-
Total receipts	444,437	480,769	$ 411,690	$ 69,079
Expenditures:				
Operations and maintenance	(232)	(164)	$ -	$ 164
Food service operations	425,276	444,473	461,760	17,287
Total expenditures	425,044	444,309	$ 461,760	$ 17,451
Receipts over (under) expenditures	19,393	36,460		
Unencumbered cash, beginning of year	73,838	93,231		
Unencumbered cash, end of year	$ 93,231	$ 129,691		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 3,830	$ -	$ -	$ -
Transfer from general fund	-	11,000	11,000	-
Total receipts	3,830	11,000	$ 11,000	$ -
Expenditures:				
Instructional support staff	1,960	5,988	$ 11,261	$ 5,273
Central services	21,743	5,273	-	(5,273)
Total expenditures	23,703	11,261	$ 11,261	$ -
Receipts over (under) expenditures	(19,873)	(261)		
Unencumbered cash, beginning of year	20,134	261		
Unencumbered cash, end of year	$ 261	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

PRESCHOOL-AGED AT-RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Tuition	$ 8,540	$ 24,920	$ 7,500	$ 17,420
Transfer from general fund	-	-	17,100	(17,100)
Transfer from supplemental general fund	9,768	-	-	-
Total receipts	18,308	24,920	$ 24,600	$ 320
Expenditures:				
Instruction	22,161	24,600	$ 24,600	$ -
Receipts over (under) expenditures	(3,853)	320		
Unencumbered cash, beginning of year	3,853	-		
Unencumbered cash, end of year	$ -	$ 320		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 21,239	$ 36,711	$ 15,500	$ 21,211
Transfer from general fund	395,828	614,071	440,078	173,993
Transfer from supplemental general fund	160,712	11,272	240,112	(228,840)
Total receipts	577,779	662,054	$ 695,690	$ (33,636)
Expenditures:				
Instruction	648,572	663,850	$ 697,486	$ 33,636
Receipts over (under) expenditures	(70,793)	(1,796)		
Unencumbered cash, beginning of year	72,589	1,796		
Unencumbered cash, end of year	$ 1,796	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general fund	$ -	$ 7,210	$ 68,708	$ (61,498)
Transfer from supplemental general fund	145,233	198,990	137,492	61,498
Total receipts	145,233	206,200	$ 206,200	$ -
Expenditures:				
Instruction	172,661	206,200	$ 206,200	$ -
Receipts over (under) expenditures	(27,428)	-		
Unencumbered cash, beginning of year	27,428	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

BILINGUAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general fund	$ -	$ 31,373	$ 52,753	$ (21,380)
Transfer from supplemental general fund	24,880	36,447	27,247	9,200
Transfer from contingency reserve fund	-	1,177	-	1,177
Total receipts	24,880	68,997	$ 80,000	$ (11,003)
Expenditures:				
Instruction	16,834	77,649	$ 88,652	$ 11,003
Receipts over (under) expenditures	8,046	(8,652)		
Unencumbered cash, beginning of year	606	8,652		
Unencumbered cash, end of year	$ 8,652	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 9,856	$ 7,288	$ 6,330	$ 958
Current tax	277,810	268,583	235,900	32,683
Delinquent tax	3,100	5,164	2,901	2,263
Motor vehicle tax and recreational vehicle tax	26,578	24,010	28,416	(4,406)
Total receipts	317,344	305,045	$ 273,547	$ 31,498
Expenditures:				
Community service operations	309,887	277,647	$ 277,647	$ -
Receipts over (under) expenditures	7,457	27,398		
Unencumbered cash, beginning of year	-	7,457		
Unencumbered cash, end of year	$ 7,457	$ 34,855		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

RECREATION COMMISSION SPECIAL LIABILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ -	$ 14	$ -	$ 14
Delinquent tax	33	-	-	-
Motor vehicle tax and recreational vehicle tax	4	1	-	1
Total receipts	37	15	$ -	$ 15
Expenditures:				
Community service operations	-	37	$ 37	$ -
Receipts over (under) expenditures	37	(22)		
Unencumbered cash, beginning of year	-	37		
Unencumbered cash, end of year	$ 37	$ 15		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

KPERS RETIREMENT CONTRIBUTIONS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		2022		
	2021	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 681,551	$ 693,305	$ 772,197	$ (78,892)
Expenditures:				
Instruction	499,873	511,772	$ 539,302	$ 27,530
Student support services	2,781	-	24,324	24,324
Instructional support staff	348	-	-	-
General administration	30,013	31,196	34,903	3,707
School administration	59,713	61,897	68,108	6,211
Operations and maintenance	54,812	58,633	61,930	3,297
Student transportation services	13,661	11,000	19,074	8,074
Food service operations	20,350	18,807	24,556	5,749
Total expenditures	681,551	693,305	$ 772,197	$ 78,892
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2022

	Contingency reserve	Textbook and student materials revolving	Gifts and grants	Title I	Title IVA drug awareness education	Title II part A teacher quality
Receipts:						
Rental fees and books	$ -	$ 47,624	$ -	$ -	$ -	$ -
Federal aid	-	38,220	-	138,908	16,773	16,039
Contributions and donations	-	-	63,941	-	-	-
Tuition	-	-	-	-	-	-
Tuition - District	-	-	-	-	-	-
Transfer from general fund	19,418	-	-	-	-	-
Total receipts	19,418	85,844	63,941	138,908	16,773	16,039
Expenditures:						
Instruction	47,444	62,787	13,667	148,064	12,240	20,101
Instructional support staff	-	-	-	-	-	-
Operation and maintenance	-	-	-	-	-	-
Community service operations	-	-	-	-	-	-
Transfer to bilingual fund	1,177	-	-	-	-	-
Total expenditures	48,621	62,787	13,667	148,064	12,240	20,101
Receipts over (under) expenditures	(29,203)	23,057	50,274	(9,156)	4,533	(4,062)
Unencumbered cash (deficit), beginning of year	352,323	96,642	21,444	9,156	-	(1,159)
Prior year canceled encumbrances	24,603	3,710	-	-	-	-
Unencumbered cash (deficit), end of year	$ 347,723	$ 123,409	$ 71,718	$ -	$ 4,533	$ (5,221)

See Independent Auditor's Report.

Federal REAP grant	Migrant program	CARES Act	Daycare	ESSER II	ESSER III	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ 47,624
-	105,500	-	-	478,839	-	794,279
-	-	-	-	-	-	63,941
-	-	-	39,526	-	-	39,526
-	-	-	38,721	-	-	38,721
-	-	-	-	-	-	19,418
-	105,500	-	78,247	478,839	-	1,003,509
24,031	105,526	8,188	-	258,778	162,431	863,257
-	-	-	-	77,978	7,828	85,806
-	-	-	-	6,332	250,000	256,332
-	-	-	78,247	-	-	78,247
-	-	-	-	-	-	1,177
24,031	105,526	8,188	78,247	343,088	420,259	1,284,819
(24,031)	(26)	(8,188)	-	135,751	(420,259)	(281,310)
(14)	4,338	8,188	-	(135,751)	-	355,167
-	-	-	-	-	-	28,313
$ (24,045)	$ 4,312	$ -	$ -	$ -	$ (420,259)	$ 102,170

Schedule 3

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE 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
Gate receipts:						
High school	$ 137	$ 52,062	$ 52,199	$ -	$ -	$ -
Middle school	-	7,562	7,562	-	-	-
Subtotal gate receipts	137	59,624	59,761	-	-	-
School projects:						
High school:						
Student purchases	1,936	3,817	4,745	1,008	-	1,008
Concessions	6,304	32,513	38,817	-	-	-
Band	3,189	306	1,332	2,163	-	2,163
Drama	1,699	-	912	787	-	787
Special education	2,129	250	-	2,379	-	2,379
Vocal	6,151	200	493	5,858	-	5,858
Musical theatre	2,664	3,152	4,612	1,204	-	1,204
Yearbook	1,498	10,016	7,684	3,830	-	3,830
Library	241	94	-	335	-	335
Fees	16,844	3,320	2,026	18,138	-	18,138
Subtotal high school	42,655	53,668	60,621	35,702	-	35,702
Middle school:						
Library	128	1,874	1,994	8	-	8
Interrelated	1,614	250	680	1,184	-	1,184
Michaelis math	1,198	871	202	1,867	-	1,867
Art class	54	-	54	-	-	-
Redesign	1,798	-	382	1,416	-	1,416
Bronc barn	987	1,733	2,018	702	-	702
Subtotal middle school	5,779	4,728	5,330	5,177	-	5,177
Elementary school:						
Library	135	1,290	1,134	291	-	291
KOC	4,583	500	350	4,733	-	4,733
Miscellaneous	677	-	677	-	-	-
Community kids club	4,942	-	1,625	3,317	-	3,317
Student activity and field trips	18,307	4,248	6,574	15,981	-	15,981
Recycle fund	1,077	77	255	899	-	899
Memorial fund	185	-	-	185	-	185
Subtotal elementary	29,906	6,115	10,615	25,406	-	25,406
Subtotal school projects	78,340	64,511	76,566	66,285	-	66,285
Total district activity funds	$ 78,477	$ 124,135	$ 136,327	$ 66,285	$ -	$ 66,285

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2022

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds:				
High school:				
Graphic design class	$ 155	$ 9	$ -	$ 164
Cheerleaders	1,739	3,025	3,573	1,191
Senior class	1,881	6,046	3,514	4,413
Junior class	1,742	8,107	8,152	1,697
Soph class	547	1,151	1,302	396
Freshman class	-	395	395	-
National Honor Society	187	-	-	187
Spanish club	1,075	518	486	1,107
Student council	1,036	7,081	6,789	1,328
Weight club	58	-	58	-
FCA	559	3,889	1,923	2,525
Cross country team	326	-	326	-
Scholar bowl club	1,933	562	252	2,243
Basketball team - girls	31	-	31	-
Golf team	913	3,138	2,970	1,081
Science club	34	-	-	34
Softball team	1,525	2,819	3,382	962
Volleyball team	806	-	806	-
Football team	50	-	50	-
Math class	446	-	78	368
Business class	-	1,190	1,048	142
English class	547	-	547	-
Career class	995	-	-	995
Chemistry	106	-	106	-
Wrestling team	495	-	495	-
History club	3,912	-	-	3,912
Track team	252	-	252	-
FFA	5,068	11,435	11,977	4,526
FCCLA	242	427	-	669
Trap shooting	4,595	-	1,269	3,326
The stampede	5,576	119,756	120,370	4,962
Dance team	825	-	65	760
Broncs brew	1,122	5,159	4,885	1,396
Subtotal high school	38,778	174,707	175,101	38,384

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2022

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Middle school:				
Volleyball team	$ 240	$ 485	$ 200	$ 525
Cross country team	29	-	29	-
Boys basketball team	542	-	542	-
Girls basketball team	307	353	371	289
Wrestling team	724	-	724	-
Cheerleading	917	1,432	1,161	1,188
Track team	135	-	135	-
Football team	105	-	105	-
STUCO	2,558	6,939	6,693	2,804
Fifth grade	3,335	2,563	2,003	3,895
Sixth grade	1,164	1,952	892	2,224
7th & 8th social studies	293	-	293	-
FCA	2,970	-	325	2,645
Counselor student fund	595	-	383	212
Student purchases	1,764	304	1,055	1,013
Box tops	1,316	-	203	1,113
Quiz bowl	-	606	-	606
Subtotal middle school	16,994	14,634	15,114	16,514
Subtotal student organization funds	55,772	189,341	190,215	54,898
Clearing funds:				
Sales tax:				
High school	-	8,352	8,352	-
Middle school	-	392	392	-
Elementary school	-	291	291	-
Subtotal clearing funds	-	9,035	9,035	-
District agency funds:				
Flex spending	11,197	13,627	16,948	7,876
Total agency funds	$ 66,969	$ 212,003	$ 216,198	$ 62,774

See Independent Auditor's Report.

APPENDICES

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

Board of Education
Unified School District No. 215
Lakin, 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, the financial statement of Unified School District No. 215, Lakin, Kansas as of and for the year ended June 30, 2022, and the related notes to the financial statement, and have issued our report thereon dated February 10, 2023. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the District has prepared this financial statement on the basis of the financial reporting provisions of the *Kansas Municipal Auditing and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 215'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 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 215'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 Unified School District No. 215'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.

Kennedy McKee & Company LLP

February 10, 2023

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

Board of Education
Unified School District No. 215
Lakin, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 215's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 215 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Unified School District No. 215 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the 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 each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kennedy McKee & Company LLP

February 10, 2023

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Agriculture							
Passed through Kansas Department of Education:							
COVID-19 - School Breakfast Program	10.553	D0215	$ -	$ -	$ 80,335	$ 80,335	$ -
COVID-19 - National School Lunch Program	10.555	D0215	-	-	319,330	312,781	6,549
COVID-19 - Summer Food Program	10.559	D0215	-	-	37,319	37,319	-
Fresh Fruits and Vegetables	10.582	D0215	-	-	13,260	13,260	-
			-	-	450,244	443,695	6,549
COVID-19 - State Pandemic Electronic Benefit Transfer	10.649	D0215	-	-	614	614	-
The Federal Communications Commission							
Direct Award:							
Emergency Connectivity Fund Program	32.099	N/A	-	-	38,220	38,220	-
U.S. Department of Education							
Direct Award:							
Rural Education Achievement Program	84.358B	N/A	(14)	-	-	24,030	(24,044)
Passed through Kansas Department of Education:							
Title I Program	84.010A	D0215	9,156	-	138,908	148,064	-
Migrant Program	84.011A	D0215	4,338	-	105,500	105,526	4,312
Title II - Supporting Effective Instruction	84.367A	D0215	(1,159)	-	16,039	20,101	(5,221)
Title IV A - Student Support Academic Enrichment	84.424A	D0215	-	-	16,773	12,240	4,533

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 2022

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Education (Continued)							
Passed through Kansas Department of Education (Continued):							
COVID-19 - Elementary and Secondary Emergency Relief	84.425D	D0215	$ 8,187	$ -	$ -	$ 8,187	$ -
COVID-19 - Elementary and Secondary Emergency Relief SPED	84.425D	D0215	-	-	10,611	10,773	(162)
COVID-19 - Elementary and Secondary Emergency Relief	84.425D	D0215	(135,751)	-	478,839	343,088	-
COVID-19 - Elementary and Secondary Emergency Relief	84.425U	D0215	-	-	-	420,259	(420,259)
			(115,243)	-	766,670	1,092,268	(440,841)
Total federal assistance			$ (115,243)	$ -	$ 1,255,748	$ 1,574,797	$ (434,292)

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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. 215 under programs of the federal government for the year ended June 30, 2022. The information in the 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, changes in net assets, or cash flows 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 A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are prepared using the regulatory basis of accounting. 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. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

C. INDIRECT COST RATE

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

D. AWARDS PASSED THROUGH TO SUBRECIPIENTS

The District did not pass-through any awards to subrecipients.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of Unified School District No. 215 was prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statement are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statement of Unified School District No. 215, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies or material weaknesses related to the audit of internal control over major federal programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for Unified School District No. 215 expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.

7. The program tested as a major program included:

COVID -19 – Elementary and Secondary Schools Emergency Relief Funds	CFDA 84.425D and 84.425U

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

9. Unified School District No. 215 did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.