CHETOPA – ST. PAUL
UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

For the Fiscal Year Ended June 30, 2022

Regulatory Basis Financial Statement
Independent Auditors' Report with
Regulatory-Required Supplemental Information
And Federal Compliance Section

CHETOPA – ST. PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

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Diehl
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Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Chetopa – St. Paul Unified School District #505
Chetopa, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of receipts, expenditures, and unencumbered cash balances, of the Unified School District #505 (District), Chetopa, Kansas as of and for the fiscal 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 fiscal 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 Unified School District #505, Chetopa, Kansas as of June 30, 2022, and the aggregate receipts and expenditures for the fiscal year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, 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 and the schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however they 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 purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is 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 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 Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2023 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 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 the District's internal control over financial reporting and compliance.

Prior Year Comparative Numbers
We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basis financial statement of the District as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated January 26, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://admin.ks.gov/offices/chief-financial-officer/municipal-services. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON CPAs PA

February 23, 2023
Pittsburg, Kansas

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Cancelled Prior Year Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 3,674,959	$ 3,674,959	$ -	$ 54,242	$ 54,242
Supplemental General	93,123	-	1,383,532	1,410,668	65,987	147,885	213,872
Special Purpose Funds:							
4 Yr Old At Risk	86,826	-	50,000	62,900	73,926	440	74,366
K-12 At Risk	24,355	339	533,000	531,798	25,896	4,760	30,656
Bilingual Education	1,279	-	1,350	1,350	1,279	-	1,279
Virtual Education	9,873	-	5,000	4,442	10,431	-	10,431
Capital Outlay	1,575,176	-	394,896	211,914	1,758,158	76,829	1,834,987
Driver Education	21,295	-	-	-	21,295	-	21,295
Food Service	79,083	-	281,087	282,640	77,530	373	77,902
Professional Development	33,357	-	-	8,099	25,258	-	25,258
Summer School	30,228	-	-	-	30,228	-	30,228
Special Education	216,532	-	669,334	674,981	210,885	8,003	218,888
Career and Postsecondary Education	112,996	1,205	205,320	220,677	98,846	5,435	104,281
KPERS Special Retirement	-	-	443,519	443,519	-	-	-
Recreation Commission	19,827	-	22,075	23,620	18,282	6,215	24,497
Contingency Reserve	206,721	-	-	-	206,721	-	206,721
Textbook Rental	87,012	-	55	9,490	77,577	6,916	84,493
Title I	-	-	110,646	110,646	-	-	-
Rural Grant	-	-	-	-	-	-	-
Title IIA	-	-	19,190	19,190	-	-	-
Title IV	1	-	15,532	15,532	1	-	1
CARES Act	(44,641)	-	391,108	573,028	(226,561)	93,342	(133,219)
Kansas Reading Roadmap	1,381	-	-	-	1,381	-	1,381
TRC Grant	399	-	-	-	399	-	399
Mini-grants	(9,630)	-	80,323	60,509	10,184	-	10,184
Aptus Grant	378	-	-	-	378	-	378
District Activity Funds	35,029	-	59,638	55,653	39,015	-	39,015
Bond and Interest Fund	643,787	-	537,018	477,150	703,656	-	703,656
Trust Funds:							
Lessley Scholarship	304	-	-	-	304	-	304
Total Entity (Excluding Agency Funds)	$ 3,224,694	$ 1,544	$ 8,877,581	$ 8,872,764	$ 3,231,055	$ 404,440	$ 3,635,495

Composition of Cash	
District Checking Accounts	$ 3,593,480
Activity Checking Accounts	360,587
Activity and Scholarship Certificates of Deposit	11,000
Petty Cash	1,500
Total Cash	3,966,567
Agency Funds per Schedule 3	(331,072)
Total Reporting Entity	$ 3,635,495

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Chetopa – St. Paul Unified School District #505, Chetopa, Kansas, has been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting policies generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District #505 (the primary government). The District has developed criteria to determine whether outside agencies, with activities which benefit the members of the District, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises financial accountability, selection of governing authority, designation of management, ability to significantly influence operations, scope of public service and special financing relationships. Based on the above criteria, the District has determined that no outside agency meets the criteria; therefore, no outside agency has been included as a related municipal entity in this financial statement.

Basis of Presentation - Fund Accounting

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

The following types of funds comprise the financial activities of the Unified School District #505:

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

Special Purpose Fund - to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Trust Fund - funds used to report assets held in trust for the benefit of the municipal financial reporting entity (ie. Pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

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

Agency Funds – funds used to report assets held by the District in a purely custodial capacity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Budgetary Information

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

1. Preparation of the budget for the succeeding fiscal year on or before August 1.
2. Publication in the local newspaper of the proposed budget and a notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25.

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 municipality did hold a revenue neutral rate hearing for this year.

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. There were no such budget amendments during the fiscal year ending June 30, 2022. The General Fund and Supplemental General Fund budgets were reduced to the legal maximum by the Kansas Department of Education.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

Legal operating budgets are not required in the following special purpose funds: Contingency Reserve, Textbook Rental, Title I, Rural Grant, Title II-A, Title IV, CARES Act, TRC Grant, Kansas Reading Roadmap Grant, Mini-Grants, Aptus Grant, or District Activity or Trust funds.

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.

Cash and Investments

Cash and investments include money market checking accounts, and certificates of deposit. Kansas statutes permit investment in savings accounts, certificates of deposit, repurchase agreements, and obligations of the U.S. Treasury and the Kansas Municipal Investment Pool.

Compensated Absences

Full-time non-certified employees are eligible for vacation benefits ranging from 10 to 20 days a year. Employees are allowed to accumulate and carry forward unused vacation benefits.

Employees can accrue 10-12 days of sick leave each year. Up to 80 days of unused sick days may be accumulated and carried over. Upon retirement certified staff with more than 5 years experience with the District are paid for accumulated sick leave at the rate of ranging from 25-100% of the substitute teacher pay rate based upon their years of service to the District. The current substitute rate is $90 per day.

The District accrues a liability for compensated absences which meet the following criteria:

1. The District's obligation relating to the employee's right to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

Based upon the above criteria the District has not determined a liability for vacation or sick pay.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The financial statement has been prepared in order to show compliance with the cash basis and budget laws of Kansas. The negative cash balances in the CARES Act Fund is not a cash basis violation as these are reimbursement grants. As this statement and the regulatory required schedules show, there were no apparent violations of the cash basis and budget laws of Kansas.

3. CASH IN BANK AND DEPOSITORY SECURITY

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not have any "peak periods" designated. All deposits were legally secured at June 30, 2022.

At June 30, 2022 the District's carrying amount of deposits was $3,966,566.65 and the bank balance was $4,282,899.80. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $359,326.22 was covered by federal depository insurance, $3,923,573.58 was collateralized by securities with a market value of $4,027,923.47 held by the pledging financial institutions' agents in the District's name.

4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $202,859 subsequent to June 30, 2022, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

5. 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 or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

5. **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 at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual 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 $443,519 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 $3,423,393. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The District continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

7. CONTINGENCIES

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

8. TRANSFERS

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Special Education	KSA 72-5147	$ 605,000
General	4 Year Old at Risk	KSA 72-5154	50,000
General	K-12 At Risk	KSA 72-5153	410,000
General	Career & Postsecondary Education	KSA 72-5162	155,320
General	Virtual Education	KSA 72-3715	5,000
General	Bilingual Education	KSA 72-3613	950
General	Food Service	KSA 72-5164	8,345
Supplemental General	Food Service	KSA 72-5164	26,655
Supplemental General	Special Education	KSA 72-3422	50,000
Supplemental General	K-12 At Risk	KSA 72-5153	123,000
Supplemental General	Career & Postsecondary Education	KSA 72-3355	50,000
Supplemental General	Bilingual Education	KSA 72-3613	400

9. POST EMPLOYMENT BENEFITS

Participation in Group Health Insurance Plan

As provided by K.S.A. 12-5050, the District allows retirees to participate in the group health insurance plan until they reach age 65. 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 premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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.

9. POST EMPLOYMENT BENEFITS (Continued)

Early Retirement Incentive

For certified staff retiring at the end of the June 30, 2022 fiscal year, the Board offered to continue paying the same employer health insurance benefit until the earlier of age 65 or five years, or a three-year cash benefit of $6,000 per year. The anticipated future costs are listed below:

Fiscal Year Ended	Costs
June 30, 2023	$ 42,652
June 30, 2024	40,122
June 30, 2025	30,000
June 30, 2026	30,000
	$ 193,426

10. SUBSEQUENT EVENTS

Events subsequent to June 30, 2022 have been evaluated through February 23, 2023 the report release date of the financial statement. There are no subsequent events requiring recognition in these financial statements or no other subsequent events disclosed in the notes to the financial statement.

11. LONG TERM DEBT

Schedules detailing the changes in long term debt and the maturities of long term debt are included.

Schedule of Changes in Long-Term Debt

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions / New Debt	Reductions / PrincipalPaid	Balances End of Year	Interest Paid
General Obligation Refunding Bonds									
Series 2014	2.0-4.0%	6/26/2014	3,835,000	10/1/2030	$ 3,195,000	$ -	$ 240,000	$ 2,955,000	$ 112,350
Series 2016	3.00%	5/19/2016	4,160,000	10/1/2037	4,160,000	-	-	4,160,000	124,800
					$ 7,355,000	$ -	$ 240,000	$ 7,115,000	$ 237,150

Schedule of Maturities in Long-Term Debt

Fiscal Years Ending June 30,	2023	2024	2025	2026	2027	2028 2032	2033 2037	2038 2042	Totals
PRINCIPAL									
General Obligation Bonds									
Series 2014	$ 255,000	$ 270,000	$ 290,000	$ 310,000	$ 330,000	$ 1,500,000	$ -	$ -	$ 2,955,000
Series 2016	-	-	-	-	-	510,000	2,965,000	685,000	4,160,000
Total Principal	255,000	270,000	290,000	310,000	330,000	2,010,000	2,965,000	685,000	7,115,000
INTEREST									
General Obligation Refunding									
Series 2014	106,125	98,250	89,125	78,625	66,600	120,000	-	-	558,725
Series 2016	124,800	124,800	124,800	124,800	124,800	616,350	333,975	10,275	1,584,600
Total Interest	230,925	223,050	213,925	203,425	191,400	736,350	333,975	10,275	2,143,325
Total Principal and Interest	$ 485,925	$ 493,050	$ 503,925	$ 513,425	$ 521,400	$ 2,746,350	$ 3,298,975	$ 695,275	$ 9,258,325

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Funds:						
General	$ 3,766,243	$ (102,212)	$ 10,928	$ 3,674,959	$ 3,674,959	$ -
Supplemental General	1,240,535	(2,106)	172,239	1,410,668	1,410,668	-
Special Purpose Funds:						
4 Yr Old At Risk	166,826	-	-	166,826	62,900	(103,926)
K-12 At Risk	596,355	-	-	596,355	531,798	(64,557)
Bilingual Education	2,899	-	-	2,899	1,350	(1,549)
Virtual Education	24,873	-	-	24,873	4,442	(20,431)
Capital Outlay	1,816,011	-	-	1,816,011	211,914	(1,604,097)
Driver Education	21,295	-	-	21,295	-	(21,295)
Food Service	396,655	-	-	396,655	282,640	(114,015)
Professional Development	33,357	-	-	33,357	8,099	(25,258)
Summer School	30,228	-	-	30,228	-	(30,228)
Special Education	940,718	-	-	940,718	674,981	(265,737)
Career and Postsecondary Education	332,996	-	-	332,996	220,677	(112,319)
KPERS Special Retirement	503,700	-	-	503,700	443,519	(60,181)
Recreation Commission	38,000	-	-	38,000	23,620	(14,380)
Bond and Interest Fund	477,150	-	-	477,150	477,150	-
	10,387,841					

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Reimbursements	$ 13,085	$ 7,353	$ -	$ 7,353
State Sources				
General aid	3,058,783	3,219,718	3,221,243	(1,525)
Special education aid	439,952	444,313	545,000	(100,687)
Mentor Teacher aid	1,962	3,575	-	3,575
Total Cash Receipts	3,513,782	3,674,959	$ 3,766,243	$ (94,859)
Expenditures				
Instruction	1,573,329	1,359,477	$ 1,560,343	$ (200,866)
Support Services				
Student Support	-	551	-	551
Instructional Support	158,668	185,600	132,000	53,600
General Administration	117,380	119,739	121,700	(1,961)
School Administration	65,447	71,817	70,000	1,817
Central Services	66,027	71,801	67,700	4,101
Operations and Maintenance	392,651	459,084	387,000	72,084
Transportation	133,105	171,517	146,500	25,017
Other Support Services	-	757	-	757
Operating transfers to Other Funds				
4 Yr Old At Risk	12,000	50,000	70,000	(20,000)
K-12 At Risk	346,000	410,000	450,000	(40,000)
Virtual Education	1,000	5,000	10,000	(5,000)
Bilingual Education	920	950	1,000	(50)
Special Education	555,254	605,000	600,000	5,000
Career and Postsecondary Education	92,000	155,320	150,000	5,320
Food Service	-	8,345	-	8,345
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(102,212)	102,212
Adjustment for Reimbursed Expenses and Grants			10,928	(10,928)
Total Expenditures Subject to Budget	3,513,782	3,674,959	$ 3,674,959	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
SUPPLEMENTAL GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	$ 325,344	$ 307,744	$ 246,325	$ 61,419
Delinquent tax	15,804	17,403	11,654	5,749
Motor vehicle tax	55,000	55,847	57,779	(1,932)
Mineral Tax	60	56	-	56
Reimbursements	73,642	172,239	-	172,239
State Sources				
Supplemental aid	817,157	830,243	831,655	(1,412)
Total Cash Receipts	1,287,006	1,383,532	$ 1,147,413	$ 236,119
Expenditures				
Instruction	419,593	558,388	$ 291,915	$ 266,473
Support Services				
Student Support	128,089	106,644	134,500	(27,856)
Instructional Support	9,327	14,410	6,000	8,410
General Administration	138,269	142,708	133,500	9,208
School Administration	187,297	182,072	172,000	10,072
Operations and Maintenance	131,408	110,828	130,000	(19,172)
Other Support Services	23,175	45,564	-	45,564
Operating transfers to Other Funds				
Virtual Education	7,000	-	5,000	(5,000)
Bilingual Education	359	400	620	(220)
Food Service	45,000	26,655	40,000	(13,345)
Special Education	15,815	50,000	125,000	(75,000)
4 Yr Old At Risk	8,909	-	10,000	(10,000)
K-12 At Risk	104,600	123,000	122,000	1,000
Career and Postsecondary Education	50,000	50,000	70,000	(20,000)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(2,106)	2,106
Adjustment for Reimbursed Expenses			172,239	(172,239)
Total Expenditures Subject to Budget	1,268,840	1,410,668	$ 1,410,668	$ -
Receipts Over (Under) Expenditures	18,166	(27,136)		
Unencumbered Cash, Beginning	74,957	93,123		
Unencumbered Cash, Ending	$ 93,123	$ 65,987		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
4 YR OLD AT RISK FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Operating Transfer from Other Funds				
General Fund	$ 12,000	$ 50,000	$ 70,000	$ (20,000)
Supplemental General Fund	8,909	-	10,000	(10,000)
Total Cash Receipts	20,909	50,000	$ 80,000	$ (30,000)
Expenditures				
Instruction	17,677	62,900	$ 166,826	$ (103,926)
Total Expenditures Subject to Budget	17,677	62,900	$ 166,826	$ (103,926)
Receipts Over (Under) Expenditures	3,232	(12,900)		
Unencumbered Cash, Beginning	83,595	86,826		
Unencumbered Cash, Ending	$ 86,826	$ 73,926		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
K-12 AT RISK FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Operating Transfer from Other Funds				
General Fund	$ 346,000	$ 410,000	$ 450,000	$ (40,000)
Supplemental General Fund	104,600	123,000	122,000	1,000
Total Cash Receipts	450,600	533,000	$ 572,000	$ (39,000)
Expenditures				
Instruction	451,409	529,842	$ 591,355	$ (61,513)
Support Services				
Instructional Support	-	1,957	5,000	(3,043)
Total Expenditures Subject to Budget	451,409	531,798	$ 596,355	$ (64,557)
Receipts Over (Under) Expenditures	(809)	1,202		
Unencumbered Cash, Beginning	25,164	24,355		
Cancelled Prior Year Encumbrance	-	339		
Unencumbered Cash, Ending	$ 24,355	$ 25,896		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
BINLINGUAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Operating Transfer from Other Funds				
General Fund	$ 920	$ 950	$ 1,000	$ (50)
Supplemental General Fund	359	400	620	(220)
Total Cash Receipts	1,279	1,350	$ 1,620	$ (270)
Expenditures				
Instruction	-	1,350	$ 2,899	$ (1,549)
Total Expenditures Subject to Budget	-	1,350	$ 2,899	$ (1,549)
Receipts Over (Under) Expenditures	1,279	-		
Unencumbered Cash, Beginning	-	1,279		
Unencumbered Cash, Ending	$ 1,279	$ 1,279		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
VIRTUAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Operating Transfer from Other Funds				
General Fund	$ 1,000	$ 5,000	$ 10,000	$ (5,000)
Supplemental General Fund	7,000	-	5,000	(5,000)
Total Cash Receipts	8,000	5,000	$ 15,000	$ (10,000)
Expenditures				
Instruction	10,675	4,442	$ 24,873	$ (20,431)
Total Expenditures Subject to Budget	10,675	4,442	$ 24,873	$ (20,431)
Receipts Over (Under) Expenditures	(2,675)	558		
Unencumbered Cash, Beginning	12,549	9,873		
Unencumbered Cash, Ending	$ 9,873	$ 10,431		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CAPITAL OUTLAY FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	$ 136,182	$ 137,818	$ 119,084	$ 18,734
Delinquent tax	5,789	6,238	4,924	1,314
Motor vehicle tax	23,351	21,670	21,759	(89)
Mineral tax	25	25	-	25
Interest on idle funds	1,494	1,712	-	1,712
Reimbursements	2,143	132,680	-	132,680
Miscellaneous	18,223	312	-	312
State Sources				
State Aid	88,452	94,439	95,068	(629)
Total Cash Receipts	275,660	394,896	$ 240,835	$ 154,061
Expenditures				
Instruction	19,397	22,978	$ 200,000	$ (177,022)
Support Services				
Operations and Maintenance	80,274	131,941	716,011	(584,070)
Transportation	-	4,995	300,000	(295,006)
Facility Acquisition and Construction	12,780	52,000	600,000	(548,000)
Total Expenditures Subject to Budget	112,451	211,914	$ 1,816,011	$ (1,604,097)
Receipts Over (Under) Expenditures	163,209	182,982		
Unencumbered Cash, Beginning	1,411,967	1,575,176		
Unencumbered Cash, Ending	$ 1,575,176	$ 1,758,158		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
DRIVER EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
User Charges	$ -	$ -	$ -	$ -
Total Cash Receipts	-	-	$ -	$ -
Expenditures				
Instruction	-	-	$ 16,000	$ (16,000)
Support Services				
Operations and Maintenance	-	-	5,295	(5,295)
Total Expenditures Subject to Budget	-	-	$ 21,295	$ (21,295)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	21,295	21,295		
Unencumbered Cash, Ending	$ 21,295	$ 21,295		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
FOOD SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Food Receipts	$ 9,089	$ 2,923	$ 6,425	$ (3,502)
Reimbursements	61	698	-	698
Miscellaneous	151	-	-	-
State Sources				
State Aid	2,158	1,629	2,000	(371)
Federal Sources				
Child nutrition aid	190,887	213,495	269,147	(55,652)
Fresh fruits and vegetables aid	11,961	13,960	-	13,960
Other federal aid	-	13,382	-	13,382
Operating Transfer from Other Funds				
General Fund	-	8,345	-	8,345
Supplemental General Fund	45,000	26,655	40,000	(13,345)
Total Cash Receipts	259,307	281,087	$ 317,572	$ (36,485)
Expenditures				
Support Services				
Operations and Maintenance	269,553	282,640	$ 396,655	$ (114,015)
Total Expenditures Subject to Budget	269,553	282,640	$ 396,655	$ (114,015)
Receipts Over (Under) Expenditures	(10,246)	(1,553)		
Unencumbered Cash, Beginning	89,329	79,083		
Unencumbered Cash, Ending	$ 79,083	$ 77,530		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
State Sources				
State Aid	$ 3,320	$ -	$ -	$ -
Total Cash Receipts	3,320	-	$ -	$ -
Expenditures				
Support Services				
Instructional Support Staff	13,938	8,099	$ 33,357	$ (25,258)
Total Expenditures Subject to Budget	13,938	8,099	$ 33,357	$ (25,258)
Receipts Over (Under) Expenditures	(10,618)	(8,099)		
Unencumbered Cash, Beginning	43,975	33,357		
Unencumbered Cash, Ending	$ 33,357	$ 25,258		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
SUMMER SCHOOL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Miscellaneous	$ -	$ -	$ -	$ -
Total Cash Receipts	-	-	$ -	$ -
Expenditures				
Instruction	-	-	$ 30,228	$ (30,228)
Total Expenditures Subject to Budget	-	-	$ 30,228	$ (30,228)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	30,228	30,228		
Unencumbered Cash, Ending	$ 30,228	$ 30,228		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Federal Sources				
Federal aid	$ 6,765	$ 14,334	$ -	$ 14,334
Operating Transfer from Other Funds				
General Fund	555,254	605,000	600,000	5,000
Supplemental General Fund	15,815	50,000	125,000	(75,000)
Total Cash Receipts	577,834	669,334	$ 725,000	$ (55,666)
Expenditures				
Instruction	595,542	588,078	$ 838,718	$ (250,640)
Support Services				
Transportation	65,220	86,903	102,000	(15,097)
Total Expenditures Subject to Budget	660,762	674,981	$ 940,718	$ (265,737)
Receipts Over (Under) Expenditures	(82,928)	(5,647)		
Unencumbered Cash, Beginning	299,460	216,532		
Unencumbered Cash, Ending	$ 216,532	$ 210,885		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CAREER AND POSTSECONDARY EDUCATION
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Operating Transfer from Other Funds				
General Fund	$ 92,000	$ 155,320	$ 150,000	$ 5,320
Supplemental General Fund	50,000	50,000	70,000	(20,000)
Total Cash Receipts	142,000	205,320	$ 220,000	$ (14,680)
Expenditures				
Instruction	190,223	218,377	$ 332,996	$ (114,619)
Support Services				
Transportation	-	2,300	-	2,300
Total Expenditures Subject to Budget	190,223	220,677	$ 332,996	$ (112,319)
Receipts Over (Under) Expenditures	(48,223)	(15,356)		
Unencumbered Cash, Beginning	161,220	112,996		
Cancelled Prior Year Encumbrance	-	1,205		
Unencumbered Cash, Ending	$ 112,996	$ 98,846		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
KPERS SPECIAL RETIREMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
Cash Receipts				
State Sources				
State Aid	$ 416,281	$ 443,519	$ 503,700	$ (60,181)
Total Cash Receipts	416,281	443,519	$ 503,700	$ (60,181)
Expenditures				
Instruction	320,536	341,509	$ 388,512	$ (47,003)
Support Services				
Student Support	8,326	8,870	12,915	(4,045)
Instructional Support	8,326	8,870	12,353	(3,483)
General Administration	12,488	13,306	12,544	762
School Administration	20,814	22,176	22,460	(284)
Central Services	4,163	4,435	6,289	(1,854)
Operations and Maintenance	16,651	17,741	24,706	(6,965)
Trasnportation	12,488	13,306	11,006	2,300
Food Service	12,488	13,306	12,915	391
Total Expenditures Subject to Budget	416,281	443,519	$ 503,700	$ (60,181)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
RECREATION COMMISSION
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	$ 16,402	$ 17,123	$ 14,971	$ 2,152
Delinquent tax	332	501	616	(115)
Motor vehicle tax	1,825	2,142	1,894	248
Mineral tax	3	3	-	3
Reimbursements	-	2,306	2,260	46
Total Cash Receipts	18,562	22,075	$ 19,741	$ 2,334
Expenditures				
Support Services				
General Administration	-	252	$ -	$ 252
Community Service Operations	9,820	23,368	38,000	(14,632)
Total Expenditures Subject to Budget	9,820	23,620	$ 38,000	$ (14,380)
Receipts Over (Under) Expenditures	8,742	(1,545)		
Unencumbered Cash, Beginning	11,085	19,827		
Unencumbered Cash, Ending	$ 19,827	$ 18,282		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CONTINGENCY RESERVE FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating transfer from General Fund	$ -	$ -
Total Cash Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	260,721	206,721
Unencumbered Cash, Ending	$ 260,721	$ 206,721

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TEXTBOOK RENTAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Textbook rental	$ 1,801	$ 55
Total Cash Receipts	1,801	55
Expenditures		
Instruction	33,990	9,490
Total Expenditures	33,990	9,490
Receipts Over (Under) Expenditures	(32,189)	(9,435)
Unencumbered Cash, Beginning	119,201	87,012
Unencumbered Cash, Ending	$ 87,012	$ 77,577

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TITLE I FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	$ 117,913	$ 110,646
Total Cash Receipts	117,913	110,646
Expenditures		
Instruction	113,796	107,495
Support Services		
General Administration	4,117	3,151
Total Expenditures	117,913	110,646
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
RURAL GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	$ -	$ -
Total Cash Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TITLE II A FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	$ 19,118	$ 19,190
Total Cash Receipts	19,118	19,190
Expenditures		
Instruction	19,118	552
Support Services		
Student Support	-	18,638
Total Expenditures	19,118	19,190
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TITLE IV
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	$ 15,743	$ 15,532
Total Cash Receipts	15,743	15,532
Expenditures		
Instruction	15,743	447
Support Services		-
Student Support	-	15,085
Total Expenditures	15,743	15,532
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	1	1
Unencumbered Cash, Ending	$ 1	$ 1

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
CARES ACT
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	$ 194,077	$ 391,108
Total Cash Receipts	194,077	391,108
Expenditures		
Instruction	222,232	441,774
Support Services		
General Administration	-	3,234
School Administration	-	6,467
Operations and Maintenance	27,490	26,509
Transportation	-	17,171
Food Service	-	33,177
Summer School	-	44,695
Total Expenditures	249,722	573,028
Receipts Over (Under) Expenditures	(55,644)	(181,920)
Unencumbered Cash, Beginning	11,003	(44,641)
Unencumbered Cash, Ending	$ (44,641)	$ (226,561)

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
KANSAS READING ROADMAP
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Kansas Reading Roadmap Grant	$ 39,202	$ -
Total Cash Receipts	39,202	-
Expenditures		
Program expenditures	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	39,202	-
Unencumbered Cash, Beginning	(37,821)	1,381
Unencumbered Cash, Ending	$ 1,381	$ 1,381

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
TRC GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local sources		
Grants	$ -	$ -
Total Cash Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	399	399
Unencumbered Cash, Ending	$ 399	$ 399

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
MINI-GRANTS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grants	$ 4,310	$ 3,470
Federal Sources		
Federal aid	13,147	46,853
State Sources		
Pre-K Pilot Grant	30,000	30,000
Total Cash Receipts	47,457	80,323
Expenditures		
Instruction	63,978	57,778
Support Services		
Instructional Support	692	509
General Administrative	-	2,222
Total Expenditures	64,670	60,509
Receipts Over (Under) Expenditures	(17,213)	19,814
Unencumbered Cash, Beginning	7,583	(9,630)
Unencumbered Cash, Ending	$ (9,630)	$ 10,184

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
APTUS GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grants	$ -	$ -
Total Cash Receipts	-	-
Expenditures		
Program Expenditures	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	378	378
Unencumbered Cash, Ending	$ 378	$ 378

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	$ 160,476	$ 170,385	$ 146,841	$ 23,544
Delinquent tax	7,783	7,615	5,858	1,757
Motor vehicle tax	33,039	23,458	22,648	810
Mineral tax	30	31	-	31
Interest on idle funds	129	153	-	153
Other	30,000	30,000	30,000	-
State Sources				
State aid	297,266	305,376	305,376	-
Total Cash Receipts	528,723	537,018	$ 510,723	$ 26,295
Expenditures				
Debt Service				
Principal	230,000	240,000	$ 240,000	$ -
Interest	241,850	237,150	237,150	-
Total Expenditures Subject to Budget	471,850	477,150	$ 477,150	$ -
Receipts Over (Under) Expenditures	56,873	59,868		
Unencumbered Cash, Beginning	586,914	643,787		
Unencumbered Cash, Ending	$ 643,787	$ 703,656		

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
LESSLEY SCHOLARSHIP FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Donations	$ -	$ -
Total Cash Receipts	-	-
Expenditures		
Scholarships	300	-
Total Expenditures	300	-
Receipts Over (Under) Expenditures	(300)	-
Unencumbered Cash, Beginning	604	304
Unencumbered Cash, Ending	$ 304	$ 304

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
AGENCY FUNDS
Schedule of Receipts and Disbursements
Regulatory Basis
For the Fiscal Year Ended June 30, 2022

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
St Paul School	$ 79,073	$ 173,505	$ 163,057	$ 89,522
Chetopa School	176,615	162,073	97,137	241,550
Totals	$ 255,688	$ 335,578	$ 260,194	$ 331,072

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances June, 30 2022
St Paul School	$ 31,654	$ 43,371	$ 39,742	$ 35,283	$ -	$ 35,283
Chetopa School	3,375	16,267	15,911	3,732	-	3,732
Totals	$ 35,029	$ 59,638	$ 55,653	$ 39,015	$ -	$ 39,015

CHETOPA-ST. PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

FEDERAL COMPLIANCE SECTION

For the Fiscal Year Ended June 30, 2022

CHETOPA - ST PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

FEDERAL GRANTOR / PASS THROUGH GRANTOR / PROGRAM TITLE		FDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
United States Department of Agriculture				
Passed Through the State of Kansas				
Department of Education				
School Breakfast Program		10.553	$ 40,303	$ 40,303
National School Lunch Program		10.555	171,291	171,291
Summer Food Service Progam		10.559	14,670	14,670
Fresh Fruits & Vegetables Program		10.582	13,960	13,960
School Nutrition Cluster			240,223	240,223
COVID Coronavirus Aid	**cv**	10.649	614	614
			240,837	240,837
United States Department of Education				
Passed Through the State of Kansas				
Department of Education				
Title I		84.010	110,646	110,646
Title II Improving Teacher Quality		84.367	19,190	19,190
Academic Enrichment Flow Thru Grant		84.424	15,532	15,532
Elementary & Secondary School Emergency Relief	**cv**	84.425	405,442	593,009
			550,810	738,377
United States Department of Health and Human Services				
Passed Through the State of Kansas				
Department of Education				
Save the Children Federation Temporary				
Assistance to Needy Families		93.558	46,853	46,853
			46,853	46,853
TOTALS			$ 838,501	$ 1,026,068

Note: The Schedule of Expenditures of Federal Awards has been prepared under the regulatory basis of accounting as established in the Kansas Municipal Audit and Accounting Guide. Under the regulatory basis of accounting, revenues are recognized when cash is received. Expeditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract.
There were no subrecipients paid by the District.
The District did not use the 10% de minimus rate for indirect costs.

cv = Coronavirus Grants

Diehl
Banwart
Bolton
Certified Public Accountants PA

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

Board of Education
Chetopa-St. Paul Unified School District #505
Chetopa, Kansas

We were engaged to 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 the Chetopa-St. Paul Unified School District #505 as of and for the fiscal year ended June 30, 2022, and related notes to the financial statement of Chetopa-St. Paul Unified School District #505's basic financial statement and have issued our report thereon dated February 23, 2023.

Report on Internal Control Over Financial Reporting
In connection with our engagement to audit the financial statement of the District, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstance 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those 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. However, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item (2022-001) that we consider to be significant deficiencies.

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

We noted certain other matters that we reported to Management of the District in a separate letter dated February 23, 2023.

District's Response to Findings
The District's response to the findings identified in our audit is described in the Corrective Action Plan. We did not audit the District's response and accordingly, we express no opinion on it.

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.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

February 23, 2023
Pittsburg, Kansas

Diehl
Banwart
Bolton
Certified Public Accountants PA

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

Board of Education
Chetopa-St. Paul Unified School District #505
Chetopa, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Chetopa-St. Paul Unified School District #505's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended June 30, 2022. Unified District #505's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal 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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards required the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

February 23, 2023
Pittsburg, Kansas

CHETOPA-ST. PAUL UNIFIED SCHOOL DISTRICT #505
CHETOPA, KANSAS

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS:

Type of auditors' report issued:

- Adverse for departures from accounting principles generally accepted in the United States of America due to preparation of financial statements in accordance with the regulatory basis of accounting.
- Unqualified opinion on the regulatory basis financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? _ *YES* _X_ *NO*
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? NONE _X_ *YES* _ *REPORTED*

Noncompliance material to financial statements noted? _ *YES* _X_ *NO*

FEDERAL AWARDS:

Internal control over major programs:

- Material weakness(es) identified? _ *YES* _X_ *NO*
- Significant deficiency (ies) identified that are not considered to be material weaknesses? NONE _ *YES* _X_ *REPORTED*

Type of auditors' report issued on compliance for major programs: UNQUALIFIED

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) _ *YES* _X_ *NO*

IDENTIFICATION OF MAJOR PROGRAMS:

CFDA #	NAME OF PROGRAM
84.425	Covid19 Education Stabilization Fund

Auditee qualified as low-risk auditee? _ *YES* _X_ *NO*

The dollar threshold used to distinguish between Type A and Type B Programs was $750,000.

SECTION II - FINANCIAL STATEMENT FINDINGS

Significant Deficiency
2022-001 Drafting Financial Statements

Condition: As auditors, we provide significant assistance with adjusting entries, as well as determining which disclosures are required under the regulatory basis of accounting.

Criteria: Internal controls should be in place that provide a reasonable assurance that the financial statements are appropriate in form and contain the required disclosures.

Cause: Relying upon the independent auditors is a significant deficiency in internal controls as they can not be considered part of the District's internal control.

Effect: Since the District relies on independent auditors to determine the financial statements are in the correct form and include the proper disclosures, the District does not have controls in place for this.

Recommendation: None

Response: The District agrees with the finding. The District's response is in the attached Corrective Action Plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

CHETOPA-ST. PAUL UNIFIED SCHOOL DISTRICT #505 (USD #505)

June 30, 2022 Financial Statements

Corrective Action Plan

Audit Finding 2022-001

USD #505 has always relied upon its auditors to provide significant assistance with adjusting entries and with determining which disclosures were required under accounting principles generally accepted in the United States of America and the regulatory basis of accounting. While USD #505 understands that this is a significant deficiency in our internal controls, we believe it is the most cost-effective manner for us to produce our financial statements. Our accounting staff concentrate on providing the reports needed for management purposes and preparing the required reports for the Kansas Department of Education. We believe it would be inefficient and cost prohibitive for our staff to attempt to stay current on all the requirements of accounting principles generally accepted in the United States of America and the regulatory basis of accounting. We do not plan on making any changes at this time. However, we will monitor this situation and periodically determine if it is cost effective for us to perform these functions.