UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

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

YEAR ENDED JUNE 30, 2023

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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, 2023, 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, 2023, 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, 2023, 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 accompanying supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 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, 2022 (not presented herein), and have issued our report thereon dated February 10, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 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 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2023 (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 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 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, 2022, 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 January 24, 2024, 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

January 24, 2024

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2023

Funds	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General funds:		
General	$ -	$ -
Supplemental general	190,825	-
Total general funds	190,825	-
Special purpose funds:		
Capital outlay	817,745	11,064
Driver training	71,378	-
At-risk (K-12)	11,355	-
Food service	129,691	-
Professional development	-	-
Preschool-aged at-risk	320	-
Special education	-	-
Career and postsecondary education	-	-
Bilingual	-	-
Recreation commission	34,855	-
Recreation commission special liability	15	-
KPERS retirement contributions	-	-
Contingency reserve	347,723	-
Textbook and student materials revolving	123,409	-
Gifts and grants	71,718	-
Title I	-	-
Title IVA student support and academic enrichment	4,533	-
Title IIA supporting effective instruction	(5,221)	1,250
Federal REAP grant	(24,045)	-
Migrant program	4,312	-
Daycare	-	-
ESSER III	(420,259)	-
District activity funds	66,285	-
Total special purpose funds	1,233,814	12,314
Total Unified School District No. 215 (excluding agency funds)	$ 1,424,639	$ 12,314

Receipts	Expenditures	Ending unencumbered cash balance (deficit)	Add encumbrances and accounts payable	Ending cash balance (deficit)
$ 5,648,454	$ 5,648,454	$ -	$ -	$ -
1,806,160	1,750,763	246,222	2,326	248,548
7,454,614	7,399,217	246,222	2,326	248,548
1,456,348	1,485,706	799,451	651,453	1,450,904
4,200	1,236	74,342	-	74,342
1,111,444	818,203	304,596	-	304,596
410,221	395,888	144,024	9,179	153,203
3,145	3,145	-	-	-
16,800	17,120	-	-	-
641,921	641,921	-	-	-
201,524	201,524	-	-	-
78,514	78,341	173	-	173
430,354	465,209	-	-	-
79,610	79,625	-	-	-
672,247	672,247	-	-	-
-	3,017	344,706	-	344,706
42,528	9,568	156,369	-	156,369
12,772	21,022	63,468	-	63,468
129,007	110,006	19,001	-	19,001
16,901	21,434	-	-	-
18,213	14,242	-	-	-
33,072	9,027	-	-	-
98,250	102,562	-	-	-
67,414	67,414	-	-	-
905,000	512,115	(27,374)	-	(27,374)
133,908	140,471	59,722	-	59,722
6,563,393	5,871,043	1,938,478	660,632	2,599,110
$ 14,018,007	$ 13,270,260	$ 2,184,700	$ 662,958	$ 2,847,658

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2023

	Ending cash balance
Composition of cash balance:	
Money market accounts	$ 2,794,791
Demand deposits of activity funds	119,627
Total cash	2,914,418
Agency funds	(66,760)
Total Unified School District No. 215 (excluding agency funds)	$ 2,847,658

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, 2023

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, 2023:

   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. The District 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 regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The following budgets were amended in the current year:

Fund	Original budget	Amended budget
General	$ 5,523,471	$ 5,671,758
At-risk (K-12)	931,681	1,090,180

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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 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.

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 budget law provided by K.S.A. 79-2935 prohibits the expenditure of funds in excess of that allowed by budget. At year end, expenditures in the Recreation Commission Fund exceeded the adopted budget by $35,209.

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 ESSER III Fund overspent its cash balance, 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.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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, 2023.

At June 30, 2023, the District's carrying amount of deposits was $2,914,418 and the bank balance was $3,522,874. Of the bank balance, $250,000 was covered by federal depository insurance and $3,272,874 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, 2023 were as follows:

Issue	Balance beginning of year	Additions	Reductions/ net change	Balance end of year	Interest paid
Finance leases:					
Kitchen equipment: Issued June 12, 2018 In the amount of $600,000 At interest rates of 3.68% Maturing August 1, 2023	$ 192,790	$ -	$ 127,332	$ 65,458	$ 6,007
Equipment: Issued May 10, 2021 In the amount of $1,900,000 At interest rates of 2.40% Maturing August 1, 2031	1,825,100	-	173,225	1,651,875	42,769
iPads: Issued January 2, 2023 In the amount of $137,883 At interest rates of 1.19% Maturing January 2, 2025	-	137,883	46,506	91,377	-
Total	$2,017,890	$ 137,883	$ 347,063	$1,808,710	$ 48,776

Current maturity of finance leases and interest for the next five years and through maturity are as follows:

	Principal due	Interest due	Total due
2024	$ 288,283	$ 40,885	$ 329,168
2025	227,649	34,851	262,500
2026	186,077	29,917	215,994
2027	190,570	25,424	215,994
2028	195,171	20,823	215,994
2029-2032	720,960	35,019	755,979
Total	$ 1,808,710	$ 186,919	$ 1,995,629

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 $21,980. The operating lease agreement expires in the year 2026.

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

2024	$ 21,980
2025	21,980
2026	7,113
Total	$ 51,073

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
HVAC Upgrades	$ 651,453	$ -	$ 651,453
Grade School Playground Project	167,342	158,975	8,367
High School Shop Roof	141,184	141,184	-
Middle School HVAC	441,867	441,867	-
Bus Barn Re-Skin	53,117	53,117	-
Total	$ 1,454,963	$ 795,143	$ 659,820

G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Amount	Regulatory Authority
General fund	At-risk (K-12) fund	$ 845,627	K.S.A. 72-5167
General fund	Special education fund	602,434	K.S.A. 72-5167
General fund	Career and postsecondary education fund	75,959	K.S.A. 72-5167
General fund	Bilingual fund	52,333	K.S.A. 72-5167
Total general fund		1,576,353	
Supplemental general fund	At-risk (K-12) fund	221,411	K.S.A. 72-5143
Supplemental general fund	Food service fund	5,121	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	125,220	K.S.A. 72-5143
Supplemental general fund	Bilingual fund	26,181	K.S.A. 72-5143
Total supplemental general fund		377,933	
Contingency reserve fund	Food service fund	3,017	K.S.A. 72-5165
Total operating transfers		$1,957,303	

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, 2023.

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.

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.

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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 14.20% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

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 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for fiscal years 2022 and 2023. Fiscal year 2022 was recertified from 14.09% to 13.33% and fiscal year 2023 from 13.86% to 13.11%. The bond proceeds were received by KPERS on August 26, 2021. The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in fiscal years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in fiscal year 2017 and fiscal year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS School unfunded actuarial liability. In fiscal year 2022, $600 million was transferred to KPERS. In fiscal year 2023, Senate Bill 421 authorizes two additional transfers which total $271 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 $672,247 for the year ended June 30, 2023.

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $6,499,966. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

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

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. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 24, 2024, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

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, 2023

Funds	Certified budget	Adjustment to comply with legal maximum budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General funds:						
General	$ 5,671,758	$ (29,560)	$ 6,256	$ 5,648,454	$ 5,648,454	$ -
Supplemental general	1,733,841	-	16,922	1,750,763	1,750,763	-
Special purpose funds:						
Capital outlay	1,324,610	-	444,396	1,769,006	1,485,706	283,300
Driver training	79,963	-	-	79,963	1,236	78,727
At-risk (K-12)	1,090,180	-	-	1,090,180	818,203	271,977
Food service	520,953	-	-	520,953	395,888	125,065
Professional development	45,000	-	-	45,000	3,145	41,855
Preschool-aged at-risk	33,922	-	-	33,922	17,120	16,802
Special education	720,825	-	-	720,825	641,921	78,904
Career and postsecondary education	231,700	-	-	231,700	201,524	30,176
Bilingual	85,290	-	-	85,290	78,341	6,949
Recreation commission	430,000	-	-	430,000	465,209	(35,209)
Recreation commission special liability	82,295	-	-	82,295	79,625	2,670
KPERS retirement contributions	727,970	-	-	727,970	672,247	55,723
	$ 12,778,307	$ (29,560)	$ 467,574	$ 13,216,321	$ 12,259,382	$ 956,939

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ -	$ 6,256	$ -	$ 6,256
State sources:				
State aid	5,065,044	5,149,658	5,180,215	(30,557)
Special education aid	397,195	372,204	401,543	(29,339)
Mineral production tax	76,644	120,336	90,000	30,336
Total receipts	5,538,883	5,648,454	$ 5,671,758	$ (23,304)
Expenditures:				
Instruction	3,111,621	2,814,740	$ 3,008,941	$ 194,201
Student support services	718	1,453	500	(953)
Instructional support staff	4,029	2,440	4,500	2,060
General administration	321,737	407,062	316,200	(90,862)
School administration	578,345	543,645	569,000	25,355
Operations and maintenance	71,725	65,339	90,800	25,461
Student transportation services:				
Vehicle operating services	146,880	135,417	181,225	45,808
Vehicle and maintenance services	41,056	102,005	46,100	(55,905)
Operating transfers	1,269,910	1,576,353	1,454,492	(121,861)
Adjustment to comply with legal maximum budget	-	-	(29,560)	(29,560)
Legal maximum budget	5,546,021	5,648,454	5,642,198	(6,256)
Adjustment for qualifying budget credit	-	-	6,256	6,256
Total expenditures	5,546,021	5,648,454	$ 5,648,454	$ -
Receipts over (under) expenditures	(7,138)	-		
Unencumbered cash, beginning of year	7,138	-		
Unencumbered cash, end of year	$ -	$ -		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 32,119	$ 22,906	$ 13,929	$ 8,977
Current tax	1,132,274	1,055,290	830,490	224,800
Delinquent tax	20,204	13,023	14,703	(1,680)
Motor vehicle tax and recreational vehicle tax	86,152	106,779	111,365	(4,586)
Federal aid	-	16,922	-	16,922
State aid	476,238	591,240	591,240	-
Total receipts	1,746,987	1,806,160	$ 1,561,727	$ 244,433
Expenditures:				
Instruction	141,778	137,931	$ 311,304	$ 173,373
General administration	198,763	237,374	154,500	(82,874)
School administration	5,655	3,226	-	(3,226)
Operations and maintenance	874,118	956,529	712,747	(243,782)
Student transportation services:				
Vehicle operating services	4,776	-	-	-
Vehicle and maintenance services	37,682	721	-	(721)
Community service operations	38,721	37,049	-	(37,049)
Operating transfers	417,776	377,933	555,290	177,357
Legal maximum budget	1,719,269	1,750,763	1,733,841	(16,922)
Adjustment for qualifying budget credit	-	-	16,922	16,922
Total expenditures	1,719,269	1,750,763	$ 1,750,763	$ -
Receipts over (under) expenditures	27,718	55,397		
Unencumbered cash, beginning of year	163,107	190,825		
Unencumbered cash, end of year	$ 190,825	$ 246,222		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 11,660	$ 8,657	$ 2,050	$ 6,607
Current tax	431,123	638,755	500,343	138,412
Delinquent tax	8,288	5,311	5,556	(245)
Motor vehicle tax and recreational vehicle tax	38,414	39,310	40,960	(1,650)
Federal aid	-	444,396	-	444,396
State aid	136,287	169,782	171,170	(1,388)
Interest	4,642	78,036	5,000	73,036
Other	436	72,101	600	71,501
Total receipts	630,850	1,456,348	$ 725,679	$ 730,669
Expenditures:				
Instruction	15,608	62,385	$ 14,778	$ (47,607)
General administration	25,645	24,692	30,000	5,308
School administration	22,545	-	25,000	25,000
Operations and maintenance	76,137	45,679	94,996	49,317
Other support services	-	57,325	-	(57,325)
Facility acquisition and construction services	1,233,908	946,292	810,495	(135,797)
Debt service:				
Principal	197,611	300,557	305,000	4,443
Interest	43,724	48,776	44,341	(4,435)
Legal maximum budget	1,615,178	1,485,706	1,324,610	(161,096)
Adjustment for qualifying budget credit	-	-	444,396	444,396
Total expenditures	1,615,178	1,485,706	$ 1,769,006	$ 283,300
Receipts over (under) expenditures	(984,328)	(29,358)		
Unencumbered cash, beginning of year	1,802,073	817,745		
Prior year canceled encumbrances	-	11,064		
Unencumbered cash, end of year	$ 817,745	$ 799,451		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 6,832	$ 4,200	$ 4,185	$ 15
Other	3,410	-	4,400	(4,400)
Total receipts	10,242	4,200	$ 8,585	$ (4,385)
Expenditures:				
Instruction	12,176	1,236	$ 79,963	$ 78,727
Vehicle and maintenance services	532	-	-	-
Total expenditures	12,708	1,236	$ 79,963	$ 78,727
Receipts over (under) expenditures	(2,466)	2,964		
Unencumbered cash, beginning of year	73,844	71,378		
Unencumbered cash, end of year	$ 71,378	$ 74,342		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ -	$ 37,544	$ -	$ 37,544
Other	11,355	6,862	13,000	(6,138)
Transfer from general fund	586,838	845,627	845,627	-
Transfer from supplemental general fund	171,067	221,411	220,198	1,213
Total receipts	769,260	1,111,444	$ 1,078,825	$ 32,619
Expenditures:				
Instruction	757,905	818,203	$ 1,090,180	$ 271,977
Receipts over (under) expenditures	11,355	293,241		
Unencumbered cash, beginning of year	-	11,355		
Unencumbered cash, end of year	$ 11,355	$ 304,596		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Charges for services	$ 26,775	$ 98,106	$ 109,098	$ (10,992)
Federal aid	450,858	300,910	240,271	60,639
State aid	3,136	3,067	2,619	448
Other	-	-	100	(100)
Transfer from supplemental general fund	-	5,121	-	5,121
Transfer from contingency reserve fund	-	3,017	-	3,017
Total receipts	480,769	410,221	$ 352,088	$ 58,133
Expenditures:				
Operations and maintenance	(164)	(198)	$ -	$ 198
Food service operations	444,473	396,086	520,953	124,867
Total expenditures	444,309	395,888	$ 520,953	$ 125,065
Receipts over (under) expenditures	36,460	14,333		
Unencumbered cash, beginning of year	93,231	129,691		
Unencumbered cash, end of year	$ 129,691	$ 144,024		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ -	$ 3,145	$ 6,750	$ (3,605)
Transfer from general fund	11,000	-	30,000	(30,000)
Transfer from supplemental general fund	-	-	8,250	(8,250)
Total receipts	11,000	3,145	$ 45,000	$ (41,855)
Expenditures:				
Instructional support staff	5,988	3,145	$ 15,000	$ 11,855
Central services	5,273	-	30,000	30,000
Total expenditures	11,261	3,145	$ 45,000	$ 41,855
Receipts over (under) expenditures	(261)	-		
Unencumbered cash, beginning of year	261	-		
Unencumbered cash, end of year	$ -	$ -		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Tuition	$ 24,920	$ 16,800	$ 26,000	$ (9,200)
Transfer from general fund	-	-	7,922	(7,922)
Total receipts	24,920	16,800	$ 33,922	$ (17,122)
Expenditures:				
Instruction	24,600	17,120	$ 33,922	$ 16,802
Receipts over (under) expenditures	320	(320)		
Unencumbered cash, beginning of year	-	320		
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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 36,711	$ 39,487	$ 70,611	$ (31,124)
Interest	-	-	50,000	(50,000)
Transfer from general fund	614,071	602,434	401,543	200,891
Transfer from supplemental general fund	11,272	-	198,671	(198,671)
Total receipts	662,054	641,921	$ 720,825	$ (78,904)
Expenditures:				
Instruction	663,850	641,921	$ 720,825	$ 78,904
Receipts over (under) expenditures	(1,796)	-		
Unencumbered cash, beginning of year	1,796	-		
Unencumbered cash, end of year	$ -	$ -		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ -	$ 345	$ -	$ 345
Transfer from general fund	7,210	75,959	131,700	(55,741)
Transfer from supplemental general fund	198,990	125,220	100,000	25,220
Total receipts	206,200	201,524	$ 231,700	$ (30,176)
Expenditures:				
Instruction	206,200	201,524	$ 231,700	$ 30,176
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

BILINGUAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general fund	$ 31,373	$ 52,333	$ 37,700	$ 14,633
Transfer from supplemental general fund	36,447	26,181	47,590	(21,409)
Transfer from contingency reserve fund	1,177	-	-	-
Total receipts	68,997	78,514	$ 85,290	$ (6,776)
Expenditures:				
Instruction	77,649	78,341	$ 85,290	$ 6,949
Receipts over (under) expenditures	(8,652)	173		
Unencumbered cash, beginning of year	8,652	-		
Unencumbered cash, end of year	$ -	$ 173		

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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 7,288	$ 5,409	$ 2,062	$ 3,347
Current tax	268,583	397,092	312,117	84,975
Delinquent tax	5,164	3,287	3,472	(185)
Motor vehicle tax and recreational vehicle tax	24,010	24,566	25,601	(1,035)
Other	-	-	55,413	(55,413)
Total receipts	305,045	430,354	$ 398,665	$ 31,689
Expenditures:				
Community service operations	277,647	465,209	$ 430,000	$ (35,209)
Receipts over (under) expenditures	27,398	(34,855)		
Unencumbered cash, beginning of year	7,457	34,855		
Unencumbered cash, end of year	$ 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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 14	$ -	$ -	$ -
Current tax	-	79,587	62,555	17,032
Delinquent tax	-	22	-	22
Motor vehicle tax and recreational vehicle tax	1	1	-	1
Other	-	-	19,725	(19,725)
Total receipts	15	79,610	$ 82,280	$ (2,670)
Expenditures:				
Community service operations	37	79,625	$ 82,295	$ 2,670
Receipts over (under) expenditures	(22)	(15)		
Unencumbered cash, beginning of year	37	15		
Unencumbered cash, end of year	$ 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, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 693,305	$ 672,247	$ 727,970	$ (55,723)
Expenditures:				
Instruction	511,772	494,643	$ 518,710	$ 24,067
Student support services	-	1,405	23,698	22,293
Instructional support staff	-	171	354	183
General administration	31,196	29,909	31,116	1,207
School administration	61,897	59,449	61,948	2,499
Operations and maintenance	58,633	55,433	56,857	1,424
Student transportation services	11,000	12,093	14,143	2,050
Food service operations	18,807	19,144	21,144	2,000
Total expenditures	693,305	672,247	$ 727,970	$ 55,723
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, 2023

	Contingency reserve	Textbook and student materials revolving	Gifts and grants	Title I
Receipts:				
Rental fees and books	$ -	$ 42,528	$ -	$ -
Federal aid	-	-	1,706	129,007
Contributions and donations	-	-	11,066	-
Tuition	-	-	-	-
Tuition - District	-	-	-	-
Total receipts	-	42,528	12,772	129,007
Expenditures:				
Instruction	-	9,568	21,022	110,006
Instructional support staff	-	-	-	-
Operation and maintenance	-	-	-	-
Community service operations	-	-	-	-
Transfer to food service fund	3,017	-	-	-
Total expenditures	3,017	9,568	21,022	110,006
Receipts over (under) expenditures	(3,017)	32,960	(8,250)	19,001
Unencumbered cash (deficit), beginning of year	347,723	123,409	71,718	-
Prior year canceled encumbrances	-	-	-	-
Unencumbered cash (deficit), end of year	$ 344,706	$ 156,369	$ 63,468	$ 19,001

See Independent Auditor's Report.

Title IVA student support and academic enrichment	Title IIA supporting effective instruction	Federal REAP grant	Migrant program	Daycare	ESSER III	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ 42,528
16,901	18,213	33,072	98,250	-	905,000	1,202,149
-	-	-	-	-	-	11,066
-	-	-	-	30,365	-	30,365
-	-	-	-	37,049	-	37,049
16,901	18,213	33,072	98,250	67,414	905,000	1,323,157
21,434	14,242	9,027	102,562	-	336,157	624,018
-	-	-	-	-	144,216	144,216
-	-	-	-	-	31,742	31,742
-	-	-	-	67,414	-	67,414
-	-	-	-	-	-	3,017
21,434	14,242	9,027	102,562	67,414	512,115	870,407
(4,533)	3,971	24,045	(4,312)	-	392,885	452,750
4,533	(5,221)	(24,045)	4,312	-	(420,259)	102,170
-	1,250	-	-	-	-	1,250
$ -	$ -	$ -	$ -	$ -	$ (27,374)	$ 556,170

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, 2023

Funds	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
Gate receipts:						
High school	$ -	$ 55,887	$ 55,602	$ 285	$ -	$ 285
Middle school	-	11,694	11,694	-	-	-
Subtotal gate receipts	-	67,581	67,296	285	-	285
School projects:						
High school:						
Student purchases	1,008	1,538	2,469	77	-	77
Concessions	-	43,826	42,399	1,427	-	1,427
Band	2,163	899	1,566	1,496	-	1,496
Drama	787	1,469	1,618	638	-	638
Special education	2,379	240	1,095	1,524	-	1,524
Vocal	5,858	560	463	5,955	-	5,955
Musical theatre	1,204	2,335	3,520	19	-	19
Yearbook	3,830	2,577	3,830	2,577	-	2,577
Library	335	61	-	396	-	396
Fees	18,138	4,652	4,630	18,160	-	18,160
Subtotal high school	35,702	58,157	61,590	32,269	-	32,269
Middle school:						
Library	8	-	-	8	-	8
Interrelated	1,184	240	1,007	417	-	417
Michaelis math	1,867	1,235	467	2,635	-	2,635
Redesign	1,416	-	-	1,416	-	1,416
Bronc barn	702	3,211	3,913	-	-	-
Subtotal middle school	5,177	4,686	5,387	4,476	-	4,476
Elementary school:						
Library	291	1,558	1,540	309	-	309
KOC	4,733	480	180	5,033	-	5,033
Community kids club	3,317	250	700	2,867	-	2,867
Student activity and field trips	15,981	878	3,778	13,081	-	13,081
Recycle fund	899	318	-	1,217	-	1,217
Memorial fund	185	-	-	185	-	185
Subtotal elementary	25,406	3,484	6,198	22,692	-	22,692
Subtotal school projects	66,285	66,327	73,175	59,437	-	59,437
Total district activity funds	$ 66,285	$ 133,908	$ 140,471	$ 59,722	$ -	$ 59,722

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, 2023

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds:				
High school:				
Graphic design class	$ 164	$ -	$ -	$ 164
Cheerleaders	1,191	2,047	2,563	675
Senior class	4,413	435	4,431	417
Junior class	1,697	6,897	5,514	3,080
Soph class	396	99	-	495
National Honor Society	187	-	-	187
Spanish club	1,107	1,070	495	1,682
Student council	1,328	4,247	5,544	31
FCA	2,525	3,626	3,578	2,573
Scholar bowl club	2,243	634	342	2,535
Golf team	1,081	724	252	1,553
Science club	34	-	-	34
Softball team	962	1,963	1,939	986
Math class	368	-	31	337
Business class	142	-	-	142
Career class	995	413	1,179	229
History club	3,912	-	-	3,912
FFA	4,526	20,014	16,292	8,248
FCCLA	669	833	683	819
Shop - derby	-	3,275	3,275	-
Shop - broncs garage	-	2,196	-	2,196
Trap shooting	3,326	-	1,682	1,644
The stampede	4,962	114,272	114,915	4,319
Dance team	760	-	-	760
Broncs brew	1,396	26,041	21,716	5,721
Subtotal high school	38,384	188,786	184,431	42,739

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2023

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds (continued):				
Middle school:				
Volleyball team	$ 525	$ -	$ -	$ 525
Girls basketball team	289	-	113	176
Cheerleading	1,188	729	59	1,858
STUCO	2,804	6,814	6,730	2,888
Fifth grade	3,895	2,411	3,662	2,644
Sixth grade	2,224	1,704	1,129	2,799
7th & 8th social studies	-	5,152	5,152	-
FCA	2,645	1,841	699	3,787
Counselor student fund	212	-	46	166
Student purchases	1,013	-	-	1,013
Box tops	1,113	38	-	1,151
Quiz bowl	606	-	445	161
Subtotal middle school	16,514	18,689	18,035	17,168
Subtotal student organization funds	54,898	207,475	202,466	59,907
Clearing funds:				
Sales tax:				
High school	-	14,209	14,209	-
Middle school	-	793	793	-
Elementary school	-	268	268	-
Subtotal clearing funds	-	15,270	15,270	-
District agency funds:				
Flex spending	7,876	9,234	10,257	6,853
Total agency funds	$ 62,774	$ 231,979	$ 227,993	$ 66,760

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, 2023, and the related notes to the financial statement, and have issued our report thereon dated January 24, 2024. 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

January 24, 2024

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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, 2023. 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, 2023.

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

January 24, 2024

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

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:							
School Breakfast Program	10.553	D0215	$ -	$ -	$ 44,649	$ 44,649	$ -
National School Lunch Program	10.555	D0215	6,549	-	227,270	233,819	-
Summer Food Program	10.559	D0215	-	-	18,342	18,342	-
Fresh Fruits and Vegetables	10.582	D0215	-	-	10,649	10,649	-
			6,549	-	300,910	307,459	-
U.S. Department of Education							
Direct Award:							
Rural Education Achievement Program	84.358B	N/A	(24,044)	-	33,072	9,028	-
Passed through Kansas Department of Education:							
Title I Program	84.010A	D0215	-	-	129,007	110,006	19,001
Migrant Program	84.011A	D0215	4,312	-	98,250	102,562	-
Reserve Fund	84.048A	D0215	-	-	485	485	-
Title IIA - Supporting Effective Instruction	84.367A	D0215	(5,221)	1,250	18,213	14,242	-
Title IVA - Student Support and Academic Enrichment	84.424A	D0215	4,533	-	16,901	21,434	-
COVID-19 - Elementary and Secondary Emergency Relief SPED	84.425D	D0215	(162)	-	10,611	10,449	-
COVID-19 - Elementary and Secondary Emergency Relief	84.425U	D0215	(420,259)	-	905,000	512,115	(27,374)
			(440,841)	1,250	1,211,539	780,321	(8,373)
U.S. Department of Health and Human Services							
Passed through Kansas Department of Education:							
COVID-19 - KDHE ELC - K-12 Reopening Schools	93.323	D0215	-	-	506,824	485,702	21,122
Total federal assistance			$ (434,292)	$ 1,250	$ 2,019,273	$ 1,573,482	$ 12,749

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, 2023

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, 2023. 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, 2023

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
COVID -19 – KDHE ELC K-12 Reopening Schools	CFDA 93.323

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.