UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS

TABLE OF CONTENTS

	PAGE NUMBER
FINANCIAL SECTION	
Independent Auditors' Report	1 - 3
Summary Statement of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis	4
Notes to the Financial Statement	5 - 13
REGULATORY REQUIRED SUPPLEMENTAL INFORMATION	
Schedule 1	
Summary of Expenditures - Actual and Budget – Regulatory Basis (Budgeted Funds Only)	14
Schedule 2	
Schedule of Receipts and Expenditures - Actual and Budget – Regulatory Basis	
General Fund	15
Supplemental General Fund	16
4 Yr. Old At Risk Fund	17
K-12 At Risk Fund	18
Virtual Education Fund	19
Capital Outlay Fund	20
Driver Education Fund	21
Food Service Fund	22
Inservice Education Fund	23
Parent Education Fund	24
Special Education Fund	25
Career and Post Secondary Education Fund	26
KPERS Special Retirement Fund	27
Contingency Reserve Fund	28
Textbook Rental Fund	29
Title I Fund	30
Safe and Supportive Schools Fund	31
Title II – A Teacher Quality Fund	32
Title VII Indian Education Fund	33
Secondary Program Improvements Fund	34
ESSS Grant Fund	35
EMINT Grant Fund	36
21st Century Grant Fund	37
SPARK Grant Fund	38
Technology Grant Fund	39
ESSER Fund	40

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS

TABLE OF CONTENTS
(Continued)

	PAGE NUMBER
FINANCIAL SECTION - (Continued)	
Schedule 2	
Kansas Reading Roadmap Fund	41
Rural Low Income Grant Fund	42
Pre-K Pilot Grant Fund	43
Mental Health Program Fund	44
COVID Testing Fund	45
Gifts and Grants Fund	46
Bond and Interest Fund	47
Schedule 3	
Schedule of Cash Receipts and Cash Disbursements – Agency Funds – Regulatory Basis	48
Schedule 4	
Schedule of Receipts, Expenditures, and Unencumbered Cash – District Activity Funds	49
FEDERAL COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	50
Summary Schedule of Prior Audit Findings	51
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on the Audit of the Financial Statement in Accordance with *Government Auditing Standards*	52 – 53
Independent Auditors' Report on Compliance For Each Major Program And Internal Control Over Compliance Required by the Uniform Guidance	54 – 55
Schedule of Findings and Questioned Costs	56 – 57
Corrective Action Plan	58

Diehl
Banwart
Bolton
Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #506
Altamont, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of the Unified School District #506(District), Altamont, 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 positions 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 #506, Altamont, 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.

Management's Responsibility for the Financial Statements
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 to meet the financial reporting requirements of the State of Kansas. 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.

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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the June 30, 2022 summary statement of receipts, expenditures, and unencumbered cash balances – regulatory basis (financial statement) as a whole. The summary of expenditures – actual and budget – regulatory basis, individual fund schedules of receipts and expenditures – actual and budget – regulatory basis, schedule of receipts and expenditures – agency funds – regulatory basis and the schedule of receipts, expenditures, and unencumbered cash – district activity funds – regulatory basis (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 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 statements. 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 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 March 69, 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
The 2021 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and was not a required part of the 2021 financial statement upon which we rendered an unmodified opinion dated April 11, 2022. The 2021 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. 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 2021 basic financial statement as a whole, on the basis of accounting described in Note 1.

Diehl, Banwart, Bolton CPAs PA

DIEHL, BANWART, BOLTON CPAs PA

March 6, 2023
Pittsburg, Kansas

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	$ -	$ 11,815,245	$ 11,815,245	$ -	$ 108,051	$ 108,051
Supplemental General	112,308	3,538,514	3,567,951	82,871	117,701	200,571
Special Purpose Funds:						
4 Yr Old At Risk	70,317	101,159	105,075	66,401	-	66,401
K-12 At Risk	-	1,771,532	1,750,389	21,143	-	21,143
Virtual Education	-	20,000	20,000	-	-	-
Capital Outlay	2,438,733	974,772	1,388,050	2,025,454	797,744	2,823,198
Driver Education	74,481	23,832	10,857	87,457	-	87,457
Food Service	285,303	1,276,095	1,116,240	445,158	26,139	471,298
Inservice Education	99,023	35,000	33,236	100,787	10,789	111,576
Parent Education	9,000	9,000	18,000	-	18,000	18,000
Special Education	795,910	2,561,200	2,558,895	798,215	-	798,215
Career and Postsecondary Education	252,167	341,335	332,243	261,259	7,276	268,535
KPERS Special Retirement	-	1,336,645	1,336,645	-	-	-
Contingency Reserve	592,374	53,767	95	646,046	55,135	701,181
Textbook Rental	247,957	24,027	8,006	263,977	7,714	271,692
Title I	-	410,548	410,548	-	-	-
Safe and Supportive Schools	6,461	-	-	6,461	-	6,461
Title II -A Teacher Quality	-	54,875	54,875	-	-	-
Title VII Indian Education	-	97,522	97,360	162	7,708	7,870
Secondary Program Improvements	12,916	15,000	27,896	20	-	20
ESSS Grant	-	-	-	-	-	-
EMINT Grank	(2,920)	37,723	39,480	(4,677)	-	(4,677)
21st Century Grant	(12,966)	79,299	71,798	(5,465)	524	(4,941)
SPARK Grant	-	-	-	-	-	-
Technology Grant	(119,773)	77,636	86,759	(128,896)	-	(128,896)
ESSER	(346,569)	960,383	659,606	(45,792)	132,259	86,467
Kansas Reading Roadmap	-	-	-	-	-	-
Rural Low Income Grant	-	-	-	-	-	-
Pre-K Pilot Grant	(14,166)	79,772	88,700	(23,094)	-	(23,094)
Mental Health Program	-	58,075	60,043	(1,968)	-	(1,968)
COVID Testing	-	59,763	122,239	(62,476)	-	(62,476)
Gifts & Grants	33,457	-	32,636	821	-	821
District Activity Funds	1,599	95,477	84,191	12,885	-	12,885
Bond and Interest Fund	1,654,593	876,196	641,753	1,889,037	-	1,889,037
Total Entity (Excluding Agency Funds)	$ 6,190,207	$ 26,784,391	$ 26,538,810	$ 6,435,788	$ 1,289,040	$ 7,724,828

Composition of Cash	
General Checking Account.....	4,711,943
Activity Checking Accounts.....	149,255
Certificates of Deposit.....	3,000,000
Total Cash	7,861,198
Agency Funds per Schedule 3	(136,370)
Total Reporting Entity	7,724,828

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

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS

NOTES TO THE FINANCIAL STATEMENT
For the Fiscal Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Unified School District #506, Altamont, 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 #506 (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 #506:

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.).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

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.

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 this year for the 2022 budget.

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 in the fiscal year ended June 30, 2022. The General Fund budget and the Supplemental General Fund budget were both reduced to the legal maximum amount based on enrollment.

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 in the regulatory required supplemental information showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Budgetary Information (Continued)

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.

Legal operating budgets are not required in the following special purpose funds: Contingency Reserve, Textbook Rental, Title I, Safe and Supportive Schools, Title II-A Teacher Quality, Title VII Indian Education, Secondary Program Improvement, ESSS Grant, EMINT Grant, 21st Century Grant, SPARK Grant, Technology Grant, ESSER, Kansas Reading Roadmap, Rural Low Income Grant, Pre-K Pilot Grant, Mental Health Program, COVID Testing, Gifts & Grants, or District Activity.

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 not allowed to accumulate and carry forward vacation benefits past their anniversary date and are not paid for them when they terminate employment.

Employees can accrue from 8 to 12 days of sick leave each year. Up to 70 days of unused sick days may be accumulated and carried over. Upon termination employees with a minimum of ten years of services with the District are paid for accumulated sick leave at the rate of $70 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 unencumbered cash balance in the Technology Grant, EMINT Grant, 21st Century Grant, ESSER ,Pre-K Pilot Program Grant, Mental Health Program and COVID Testing Funds are not cash basis violations as these are a reimbursement grant. There were no other apparent violations of the cash basis and budget laws of Kansas.

3. DEPOSITS AND INVESTMENTS

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

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

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

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

At June 30, 2022 the District's carrying amount of deposits was $7,861,198 and the bank balance was $8,891,009. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance, and $8,391,009 was collateralized with securities held by the pledging financial institutions' agents in the District's name with a market value of $9,050,875.

3. CASH IN BANK AND DEPOSITORY SECURITY (Continued)

FINANCIAL INSTITUTIONS

RISK CATEGORIES	LABETTE BANK	COMMUNITY NATIONAL BANK	TOTALS
(1) FDIC Insurance	$ 250,000	$ 250,000	$ 500,000
(1) Collateralized with pledged securities held in the District's account	-	-	-
(2) Collateralized with pledged securities in Bank's account	5,641,009	2,750,000	8,391,009
(3) Uncollateralized	-	-	-
TOTAL BANK BALANCES	$ 5,891,009	$ 3,000,000	$ 8,891,009
Total Pledged Securities	$ 6,161,083	$ 2,889,792	$ 9,050,875

4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $614,159 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.

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 1.00% 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.

5. PENSION PLAN (Continued)

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 $194.0 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 $1,336,645 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 $10,432,551. The net pension liability was measured as of June 30, 2021 and the total net 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, 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 72-3422	$2,027,124
General	K-12 At Risk	KSA 72-5153	1,365,681
General	4 Year Old At Risk	KSA 72-5154	65,062
General	Professional Development	KSA 72-2552	35,000
General	Contingency Reserve	KSA 72-5165	53,767
General	Technology	KSA 72-5142	45,000
Supplemental General	Special Education	KSA 72-3422	492,597
Supplemental General	Career & Postsecondary Education	KSA 72-5162	312,000
Supplemental General	K-12 At Risk	KSA 72-5153	405,851
Supplemental General	Parent Education	KSA 72-4165	9,000
Supplemental General	Virtual Education	KSA 72-3715	20,000
Supplemental General	4 Year Old At Risk	KSA 72-5154	5,000

9. POST EMPLOYMENT BENEFITS

Participation in Group Health Insurance Plan

As provided by K.S.A. 12-5040, 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.

10. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to June 30, 2022 through March 6, 2023 the date the financial statements were available for issue. During this time there were no other subsequent events requiring recognition in the financial statements or disclosed in the notes to the financial statement.

11. LONG-TERM DEBT

Attached are schedules detailing the long-term debt and its maturity.

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 / Principal Paid	Balances End of Year	Interest Paid
General Obligation Refunding Bonds Series 2012	0.45-2.30%	3/1/2012	6,415,000	9/1/2025	$ 3,175,000	$ -	$ 580,000	$ 2,595,000	$ 61,753
					$ 3,175,000	$ -	$ 580,000	$ 2,595,000	$ 61,753

Schedule of Maturities in Long-Term Debt

Fiscal Years Ending June 30,	2023	2024	2025	2026	Totals
PRINCIPAL					
General Obligation Bonds					
Series 2012	$610,000	$ 635,000	$ 660,000	$ 690,000	$ 2,595,000
INTEREST					
General Obligation Refunding					
Series 2012	50,142	37,216	23,130	7,935	118,423
Total Principal and Interest	$ 660,142	$ 672,216	$ 683,130	$ 697,935	$ 2,713,423

REGULATORY REQUIRED SUPPLEMENTAL INFORMATION

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS

Summary of 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	$ 11,748,058	$ (218,594)	$ 285,782	$ 11,815,246	$ 11,815,245	$ (1)
Supplemental General	3,641,900	(73,949)	-	3,567,951	3,567,951	-
Special Purpose Funds:						
4 Yr Old At Risk	122,500	-	-	122,500	105,075	(17,425)
K-12 At Risk	1,750,500	-	-	1,750,500	1,750,389	(111)
Virtual Education	75,000	-	-	75,000	20,000	(55,000)
Capital Outlay	1,625,000	-	-	1,625,000	1,388,050	(236,950)
Driver Education	20,200	-	-	20,200	10,857	(9,343)
Food Service	1,122,000	-	-	1,122,000	1,116,240	(5,760)
Inservice Education	91,750	-	-	91,750	33,236	(58,514)
Parent Education	22,000	-	-	22,000	18,000	(4,000)
Special Education	2,655,611	-	-	2,655,611	2,558,895	(96,716)
Career and Postsecondary Education	372,000	-	-	372,000	332,243	(39,757)
KPERS Special Retirement	1,607,571	-	-	1,607,571	1,336,645	(270,926)
Bond and Interest Fund	641,763	-	-	641,763	641,753	(11)
	25,495,853					

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
Ad valorem tax	$ 933	$ 931	$ -	$ 931
Delinquent tax	-	-	-	-
Mineral tax	209	808	-	808
Interest	-	-	-	-
Reimbursement	212,784	285,782	-	285,782
State Sources				
General aid	9,795,183	9,828,333	9,962,126	(133,793)
Special education aid	1,667,753	1,699,392	1,785,932	(86,540)
Total Cash Receipts	11,676,862	11,815,245	$ 11,748,058	$ 67,187
Expenditures				
Instruction	5,372,179	4,465,159	$ 4,595,058	$ (129,899)
Support Services				
Student Support	214,026	205,934	188,500	17,434
Instructional Support	162,280	163,631	173,500	(9,869)
General Administration	315,909	259,239	333,500	(74,261)
School Administration	853,215	1,007,457	902,500	104,957
Operations and Maintenance	1,064,660	1,218,742	1,124,000	94,742
Transportation	644,154	762,781	693,000	69,781
Central Services	115,222	140,668	125,000	15,668
Operating transfers to Other Funds				
Special Education	2,244,916	2,027,124	2,000,000	27,124
4 Yr Old At Risk	-	65,062	-	65,062
K-12 At Risk	485,301	1,365,681	1,600,000	(234,319)
Professional Development	30,000	35,000	-	35,000
Parent Education	25,000	-	13,000	(13,000)
Contingency Reserve	150,000	53,767	-	53,767
Food Service	-	-	-	-
Technology Grant	-	45,000	-	45,000
Adjustments to Budget				
Adjustment for Reimbursed Expenses	-	-	285,782	(285,782)
Adjustment for Legal Maximum	-		(218,594)	218,594
Total Expenditures Subject to Budget	11,676,862	11,815,245	$ 11,815,246	$ (1)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	$ 790,612	$ 821,429	$ 778,536	$ 42,893
Delinquent tax	14,615	20,717	6,008	14,709
Motor vehicle tax	178,019	149,207	145,095	4,112
Reimbursements	-	-	-	-
State Sources				
Supplemental aid	2,491,200	2,547,160	2,599,952	(52,792)
Operating transfers from Other Funds				
Contingency Reserve	-	-	-	-
Total Cash Receipts	3,474,446	3,538,514	$ 3,529,591	$ 8,923
Expenditures				
Instruction	367,246	1,074,195	$ 1,371,900	$ (297,705)
Student Support	2,269	2,306	5,000	(2,694)
Instructional Support	346,629	292	150,000	(149,708)
General Administration	151,916	116,497	177,500	(61,003)
School Administration	-	-	-	-
Operations and Maintenance	850,284	955,698	890,000	65,698
Transportation	67,606	69,639	72,500	(2,861)
Central Services	105,132	104,876	115,000	(10,124)
Support Services				
Operating transfers to Other Funds				
Parent Education	-	9,000	-	9,000
Virtual Education	-	20,000	-	20,000
Special Education	150,000	492,597	-	492,597
4 Yr Old At Risk	-	5,000	110,000	(105,000)
K-12 At Risk	1,148,248	405,851	450,000	(44,149)
Career and Postsecondary Education	275,000	312,000	300,000	12,000
Adjustments to Budget				
Adjustment for Reimbursed Expenses			-	-
Adjustment for Legal Maximum			(73,949)	73,949
Total Expenditures Subject to Budget	3,464,330	3,567,951	$ 3,567,951	$ -
Receipts Over (Under) Expenditures	10,116	(29,437)		
Unencumbered Cash, Beginning	102,192	112,308		
Unencumbered Cash, Ending	$ 112,308	$ 82,871		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
Local Sources				
Miscellaneous	$ 18,285	$ 31,097	$ -	$ 31,097
Federal Sources				
Federal Aid	-	-	-	-
Operating Transfer from Other Funds				
Supplemental General	-	5,000	110,000	105,000
General	-	65,062	-	65,062
Total Cash Receipts	18,285	101,159	$ 110,000	$ 201,159
Expenditures				
Instruction	13,115	68,428	$ 122,500	$ (54,072)
Other Supplemental Services	-	36,647	-	36,647
Total Expenditures Subject to Budget	13,115	105,075	$ 122,500	$ (17,425)
Receipts Over (Under) Expenditures	5,170	(3,916)		
Unencumbered Cash, Beginning	65,147	70,317		
Unencumbered Cash, Ending	$ 70,317	$ 66,401		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
Local Sources				
Miscellaneous	$ -	$ -	$ 500	$ (500)
Operating Transfer from Other Funds				
Supplemental General	1,148,248	405,851	1,600,000	(1,194,149)
General	485,302	1,365,681	450,000	915,681
Total Cash Receipts	1,633,550	1,771,532	$ 2,050,500	$ (278,968)
Expenditures				
Instruction	1,633,550	1,750,389	$ 1,750,500	$ (111)
Student Support Services	-	-	-	-
Total Expenditures Subject to Budget	1,633,550	1,750,389	$ 1,750,500	$ (111)
Receipts Over (Under) Expenditures	-	21,143		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 21,143		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
Local Sources				
Miscellaneous	$ -	$ -	$ -	$ -
Operating Transfer from Other Funds				
Supplemental General	-	20,000	75,000	(55,000)
General	-	-	-	-
Total Cash Receipts	-	20,000	$ 75,000	$ (55,000)
Expenditures				
Instruction	-	20,000	$ 75,000	$ (55,000)
Student Support Services	-	-	-	-
Total Expenditures Subject to Budget	-	20,000	$ 75,000	$ (55,000)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	$ 467,452	$ 455,468	$ 445,367	$ 10,101
Delinquent tax	7,184	10,909	3,567	7,342
Motor vehicle tax	88,051	83,056	81,026	2,030
Interest on idle funds	14,098	14,176	5,000	9,176
Miscellaneous	72,226	68,713	-	68,713
State Sources				
State aid	327,952	342,451	342,517	(66)
Federal Sources				
FEMA Grant	-	-	-	-
Operating Transfer from Other Funds				
General	-	-	-	-
Total Cash Receipts	976,963	974,772	$ 877,477	$ 97,295
Expenditures				
Instruction	82,564	50,000	$ 100,000	$ (50,000)
Student Support Services	-	-	-	-
General Administration	-	40,492	-	40,492
School Administration	-	119,355	100,000	19,355
Operations & Maintenance	17,010	66,342	200,000	(133,658)
Transportation	306,135	804,198	200,000	604,198
Central Services	-	-	-	-
Facility Acquisition and Construction	65,431	307,663	1,025,000	(717,337)
Adjustments to Budget				
Adjustment for Reimbursed Expenses			-	-
Total Expenditures Subject to Budget	471,140	1,388,050	$ 1,625,000	$ (236,950)
Receipts Over (Under) Expenditures	505,823	(413,278)		
Unencumbered Cash, Beginning	1,932,910	2,438,733		
Unencumbered Cash, Ending	$ 2,438,733	$ 2,025,454		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
Other	$ 3,375	$ 17,976	$ -	$ 17,976
State Sources			.	
State aid	4,182	5,856	6,000	(144)
Operating Transfer from Other Funds				
Supplemental General	-	-	-	-
Total Cash Receipts	7,557	23,832	$ 6,000	$ 17,832
Expenditures				
Instruction	10,391	10,857	$ 19,200	$ (8,343)
Support Services				
Instructional Suport	-	-	-	-
Operations and Maintenance	-	-	1,000	(1,000)
Total Expenditures Subject to Budget	10,391	10,857	$ 20,200	$ (9,343)
Receipts Over (Under) Expenditures	(2,834)	12,975		
Unencumbered Cash, Beginning	77,315	74,481		
Unencumbered Cash, Ending	$ 74,481	$ 87,457		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
Student Sales	$ 39,832	$ 9,960	$ 4,100	$ 5,860
Adult Sales	7,984	8,752	21,588	(12,836)
Other	39,821	4,069	-	4,069
State Sources				
State Aid	9,842	8,241	7,000	1,241
Federal Sources				
Child Nutrition Aid	1,030,520	1,170,077	987,863	182,214
Fresh Fruits and Vegetables Grant	51,890	74,382	-	74,382
Other	-	614	-	614
Operating Transfer from Other Funds				
General	-	-	-	-
Supplemental General	-	-	-	-
Total Cash Receipts	1,179,889	1,276,095	$ 1,020,551	$ 255,544
Expenditures				
Support Services				
Operations and Maintenance	-	-	$ -	$ -
Operation of Non-Instructional Services				
Food Service Operations	1,070,197	1,116,240	1,122,000	(5,760)
Total Expenditures Subject to Budget	1,070,197	1,116,240	$ 1,122,000	$ (5,760)
Receipts Over (Under) Expenditures	109,692	159,855		
Unencumbered Cash, Beginning	175,611	285,303		
Unencumbered Cash, Ending	$ 285,303	$ 445,158		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
INSERVICE 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				
Miscellaneous	$ -	$ -	$ -	$ -
State Sources				
State Aid	17,033	-	-	-
Operating Transfer from Other Funds				
Supplemental General	-	-	-	-
General	30,000	35,000	-	35,000
Total Cash Receipts	47,033	35,000	$ -	$ 35,000
Expenditures				
Support Services				
Instructional Support Staff	39,734	33,236	$ 91,750	$ (58,514)
Central Services	-	-	-	-
Total Expenditures Subject to Budget	39,734	33,236	$ 91,750	$ (58,514)
Receipts Over (Under) Expenditures	7,299	1,764		
Unencumbered Cash, Beginning	91,724	99,023		
Unencumbered Cash, Ending	$ 99,023	$ 100,787		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
PARENT 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				
State Sources				
State Aid	$ -	$ -	$ -	$ -
Federal Sources				
Federal Aid	-	-	-	-
Operating Transfer from Other Funds				
Supplemental General	-	9,000	-	9,000
General	25,000	-	13,000	(13,000)
Total Cash Receipts	25,000	9,000	$ 13,000	$ (4,000)
Expenditures				
Student Support Servies	16,000	18,000	$ 22,000	$ (4,000)
Instructional Support Staff	-	-	-	-
Total Expenditures Subject to Budget	16,000	18,000	$ 22,000	$ (4,000)
Receipts Over (Under) Expenditures	9,000	(9,000)		
Unencumbered Cash, Beginning	-	9,000		
Unencumbered Cash, Ending	$ 9,000	$ -		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
Local Sources				
Other	$ 39,044	$ 7,100	$ -	$ 7,100
Medicaid	29,674	34,380	-	34,380
Federal Sources				
Federal aid	-	-	-	-
Operating Transfer from Other Funds				
Supplemental General	150,000	492,597	-	492,597
General	2,244,916	2,027,124	2,000,000	27,124
Total Cash Receipts	2,463,634	2,561,200	$ 2,000,000	$ 561,200
Expenditures				
Instruction	2,265,679	2,256,968	$ 2,381,111	$ (124,143)
Support Services				
General Administration	37,225	15,407	53,000	(37,593)
Transportation	163,911	286,520	221,500	65,020
Total Expenditures Subject to Budget	2,466,815	2,558,895	$ 2,655,611	$ (96,716)
Receipts Over (Under) Expenditures	(3,181)	2,305		
Unencumbered Cash, Beginning	799,091	795,910		
Unencumbered Cash, Ending	$ 795,910	$ 798,215		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
CAREER AND POSTSECONDARY 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				
Miscellaneous	$ 42,765	$ 29,335	$ -	$ 29,335
State Sources				
State aid	-	-	-	-
Federal Sources				
Federal aid	-	-	-	-
Operating Transfer from Other Funds				
Supplemental General	275,000	312,000	300,000	12,000
General	-	-	-	-
Total Cash Receipts	317,765	341,335	$ 300,000	$ 41,335
Expenditures				
Instruction	265,139	268,650	$ 306,000	$ (37,350)
Student Support Services	-	-	-	-
Operations and Maintenance	55,263	63,593	66,000	(2,407)
Total Expenditures Subject to Budget	320,402	332,243	$ 372,000	$ (39,757)
Receipts Over (Under) Expenditures	(2,637)	9,092		
Unencumbered Cash, Beginning	254,804	252,167		
Unencumbered Cash, Ending	$ 252,167	$ 261,259		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
State Sources				
State Aid	$ 1,270,807	$ 1,336,645	$ 1,607,571	$ (270,926)
Operating Transfers from Other Funds				
General Fund	-	-	-	-
Total Cash Receipts	1,270,807	1,336,645	$ 1,607,571	$ (270,926)
Expenditures				
Instruction	775,319	840,584	$ 935,571	$ (94,987)
Student Support	32,533	29,992	50,000	(20,008)
Instructional Support	32,787	31,045	50,000	(18,955)
General Administration	43,843	44,247	62,000	(17,753)
School Administration	91,752	95,687	120,000	(24,313)
Central Services	32,533	31,826	50,000	(18,174)
Operations and Maintenance	109,416	112,530	135,000	(22,470)
Trasnportation	89,592	90,171	125,000	(34,829)
Food Service	63,032	60,564	80,000	(19,436)
Total Expenditures Subject to Budget	1,270,807	1,336,645	$ 1,607,571	$ (270,926)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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 Other Funds		
General	$ 150,000	$ 53,767
Total Cash Receipts	150,000	53,767
Expenditures		
Operations and Maintenance	130,819	95
Opertating transfer to		
Supplemental General Fund	-	-
Total Expenditures	130,819	95
Receipts Over (Under) Expenditures	19,181	53,672
Unencumbered Cash, Beginning	573,193	592,374
Unencumbered Cash, Ending	$ 592,374	$ 646,046

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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	$ 32,648	$ 24,027
Miscellaneous	-	-
Operating Transfer From Other Funds		
Supplemental General	-	-
Total Cash Receipts	32,648	24,027
Expenditures		
Instruction	30,398	8,006
Total Expenditures	30,398	8,006
Receipts Over (Under) Expenditures	2,250	16,021
Unencumbered Cash, Beginning	245,707	247,957
Unencumbered Cash, Ending	$ 247,957	$ 263,977

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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	$ 411,708	$ 410,548
Total Cash Receipts	411,708	410,548
Expenditures		
Instruction	409,663	408,782
Instructional Support	2,045	1,766
Total Expenditurs	411,708	410,548
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
SAFE AND SUPPORTIVE SCHOOLS 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	-	-
Transportation	-	-
General Administration	-	-
Total Expenditurs	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	6,461	6,461
Unencumbered Cash, Ending	$ 6,461	$ 6,461

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
TITLE II - A TEACHER QUALITY 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	$ 56,126	$ 54,875
Total Cash Receipts	56,126	54,875
Expenditures		
Instruction	56,126	54,875
Total Expenditurs	56,126	54,875
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
TITLE VII INDIAN EDUCATION 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	$ 101,555	$ 97,522
Local Sources		
Miscellaneous	-	-
Total Cash Receipts	101,555	97,522
Expenditures		
Instruction	95,031	97,360
Transportation	6,524	-
Total Expenditurs	101,555	97,360
Receipts Over (Under) Expenditures	-	162
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 162

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
SECONDARY PROGRAM IMPROVEMENTS 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	$ 15,000	$ 15,000
Local Sources		
Miscellaneous	-	-
Total Cash Receipts	15,000	15,000
Expenditures		
Instructional Support	17,326	27,896
Total Expenditurs	17,326	27,896
Receipts Over (Under) Expenditures	(2,326)	(12,896)
Unencumbered Cash, Beginning	15,242	12,916
Unencumbered Cash, Ending	$ 12,916	$ 20

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
ESSS 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		
Grant	$ -	$ -
Total Cash Receipts	-	-
Expenditures		
Instruction	485	-
Total Expenditurs	485	-
Receipts Over (Under) Expenditures	(485)	-
Unencumbered Cash, Beginning	485	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
EMINT 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 Awards		
Grant	$ 35,606	$ 37,723
Total Cash Receipts	35,606	37,723
Expenditures		
Grant Expenditures	34,864	39,480
Total Expenditurs	34,864	39,480
Receipts Over (Under) Expenditures	742	(1,757)
Unencumbered Cash, Beginning	(3,662)	(2,920)
Unencumbered Cash, Ending	$ (2,920)	$ (4,677)

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
21st CENTURY 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		
Grant	$ 126,855	$ 79,299
Total Cash Receipts	126,855	79,299
Expenditures		
Instruction	140,217	71,798
Total Expenditurs	140,217	71,798
Receipts Over (Under) Expenditures	(13,362)	7,501
Unencumbered Cash, Beginning	396	(12,966)
Unencumbered Cash, Ending	$ (12,966)	$ (5,465)

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
SPARK GRANT
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		
Grants	$ 163,855	$ -
Other	-	-
Total Cash Receipts	163,855	-
Expenditures		
Grant Expenditures	163,855	-
Total Expenditurs	163,855	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
TECHNOLOGY 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	$ 316,379	$ -
Local Sources		
Gifts and Grants Fund	-	32,636
Operating Transfer from:		
General Fund	-	45,000
Total Cash Receipts	316,379	77,636
Expenditures		
Instruction	436,152	86,759
Transportation	-	-
General Administration	-	-
Total Expenditurs	436,152	86,759
Receipts Over (Under) Expenditures	(119,773)	(9,123)
Unencumbered Cash, Beginning	-	(119,773)
Unencumbered Cash, Ending	$ (119,773)	$ (128,896)

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
ESSER 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		
Grants	$ 291,239	$ 960,383
Other	-	-
Total Cash Receipts	291,239	960,383
Expenditures		
Grant Expenditures	585,844	659,606
Total Expenditurs	585,844	659,606
Receipts Over (Under) Expenditures	(294,605)	300,777
Unencumbered Cash, Beginning	(51,964)	(346,569)
Unencumbered Cash, Ending	$ (346,569)	$ (45,792)

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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		
Grants	$ 197,007	$ -
Local Sources		
Miscellaneous	2,510	-
Total Cash Receipts	199,517	-
Expenditures		
Grant Expenditures	3,514	-
Total Expenditurs	3,514	-
Receipts Over (Under) Expenditures	196,003	-
Unencumbered Cash, Beginning	(196,003)	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
RURAL LOW INCOME 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	$ 29,535	$ -
Total Cash Receipts	29,535	-
Expenditures		
Instructions	29,535	-
Total Expenditurs	29,535	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
PRE-K PILOT GRANT
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		
State Sources		
Grants	$ 56,250	$ 44,350
Federal Sources		
Grants	42,084	35,422
Total Cash Receipts	98,334	79,772
Expenditures		
Instruction	112,500	88,700
Total Expenditurs	112,500	88,700
Receipts Over (Under) Expenditures	(14,166)	(8,928)
Unencumbered Cash, Beginning	-	(14,166)
Unencumbered Cash, Ending	$ (14,166)	$ (23,094)

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
MENTAL HEALTH PROGRAM 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		
State Sources		
Grants	$ 57,500	$ 58,075
Federal Sources		
Grants	-	-
Total Cash Receipts	57,500	58,075
Expenditures		
Instruction	57,500	60,043
Total Expenditurs	57,500	60,043
Receipts Over (Under) Expenditures	-	(1,968)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (1,968)

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
COVID TESTING 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	$ -	$ -
State Sources		
Grants	-	59,763
Total Cash Receipts	-	59,763
Expenditures		
Instruction	-	122,239
Total Expenditurs	-	122,239
Receipts Over (Under) Expenditures	-	(62,476)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (62,476)

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS
GIFTS AND GRANTS
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	$ 20,821	$ -
Total Cash Receipts	20,821	-
Expenditures		
Grant Expenditures	821	32,636
Total Expenditurs	821	32,636
Receipts Over (Under) Expenditures	20,000	(32,636)
Unencumbered Cash, Beginning	13,457	33,457
Unencumbered Cash, Ending	$ 33,457	$ 821

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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	$ 408,337	$ 340,790	$ 333,764	$ 7,026
Delinquent tax	5,202	8,680	3,117	5,563
Motor vehicle tax	61,915	71,082	69,435	1,647
Interest on idle funds	-	-	-	-
State Sources				
State aid	432,903	455,645	455,645	-
Total Cash Receipts	908,357	876,196	$ 861,961	$ 14,235
Expenditures				
Debt Service				
Principal	555,000	580,000	$ 580,000	$ -
Interest	72,396	61,753	61,753	(1)
Other	-	-	10	(10)
Total Expenditures Subject to Budget	627,396	641,753	$ 641,763	$ (11)
Receipts Over (Under) Expenditures	280,961	234,444		
Unencumbered Cash, Beginning	1,373,632	1,654,593		
Unencumbered Cash, Ending	$ 1,654,593	$ 1,889,037		

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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				
High School	$ 119,129	$ 234,669	$ 249,942	$ 103,856
Mound Valley	3,585	2,832	2,712	3,705
Meadow View	8,571	5,488	4,817	9,242
Altamont	4,804	8,895	9,141	4,558
Bartlett	14,148	10,134	9,273	15,009
Totals	$ 150,237	$ 262,018	$ 275,885	$ 136,370

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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 2015
Gate Receipts						
High School Athletics	$ 1,599	$ 95,477	$ 84,191	$ 12,885	$ -	$ 12,885
Total District Activity Funds	$ 1,599	$ 95,477	$ 84,191	$ 12,885	$ -	$ 12,885

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	ASSISTANCE LISTING NUMBER	PASS THROUGH ENTITY GRANT ID	AMOUNT RECEIVED	AMOUNT EXPENDED
U.S. Department of Agriculture				
Direct Programs:				
Distance Learning and Telemedicine Loans and Grants	10.855	N/A	$ -	$ 9,123
Passed Through the State of Kansas Department of Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	227,261	$ 227,261
COVID-19 National School Lunch Program	10.555	N/A	852,470	852,470
COVID-19 Summer Food Service Program	10.559	N/A	90,346	90,346
Fresh Fruits and Vegetables Program	10.582	N/A	74,382	74,382
			1,244,459	1,244,459
COVID-19 Pandemic EBT Administrative Costs	10.855	N/A	614	614
			1,245,073	1,254,196
U.S. Department of Education				
Direct Programs:				
Title VII - Indian Education	84.060	N/A	97,522	97,360
Passed Through Curators of University of Missouri				
Enhancing Teacher Effectiveness	84.423	C00063283-10	37,723	39,480
Passed Through the State of Kansas Department of Education:				
Title I	84.010	N/A	382,183	382,183
Career and Technical Education Grants	84.048	N/A	15,000	27,896
21st Century Community Learning Centers Grant	84.287	N/A	79,299	71,798
Improving Teacher Quality State Grants	84.367	N/A	54,875	54,875
Studen Support and Acdemic Enrichment	84.424	N/A	28,365	28,365
Education Stabilization Fund Under CARES Act (See Note 3)	84.425	N/A	960,383	659,606
			1,655,350	1,361,563
U.S. Department of Health and Human Services				
Passed Through the State of Kansas Department of Education:				
Cooperative Agreements to Promote Adolescent Health	93.079	N/A	267	267
COVID-19 Epidemiology and Laboratory Capacity for Infections Diseases	93.323	N/A	59,763	122,239
Section 477 Cluster				
Temporary Assistance to Needy Families	93.558	N/A	35,422	35,422
			95,452	157,928
TOTALS			$ 2,995,875	$ 2,773,687

Notes:

1. The Schedule of Expenditures of Federal Awards has been prepared in accordance with the regulatory basis of accounting as set forth in the Kansas Municipal Audit and Accounting Guide. Under the regulatory basis of accounting, revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments of the District for future payments and are supported by a document evidncing the commitment, such as purchas order or contract.

2. The District did not elect to use the 10% de minimis indirect cost rate.

3. $11,357 was passed through to the Southeast Kansas Special Education Interlocal #637, a subrecipient.

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, KANSAS

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2022

Finding 2021-001 and 2020-001 Drafting Financial Statements

Condition: The District's auditors, provide significant assistance with preparing their financial statement in the regulatory basis format as well as determining which disclosures are required.

Recommendation: None

Current Status: The District continues to rely on their auditors to assist in preparing the financial statement and disclosures. The District periodically reviews the situation. The District continues to believe this is the most cost-effective way to produce their financial statement. This remains a current year audit finding.

Diehl
Banwart
Bolton
Certified Public Accountants PA

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

Board of Education
Unified School District #506
Altamont, Kansas

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the regulatory basis financial statement and related notes to the regulatory basis financial statement of Unified School District #506 as of and for the fiscal year ended June 30, 2022, and have issued our report thereon dated March 6, 2023.

Internal Control Over Financial Reporting
In planning and performing our audit of the regulatory basis financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstance 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 over financial reporting. 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified 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.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 March 6, 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 organization'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 organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Diehl, Banwart, Bolton CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

March 6, 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
Altamont Unified School District #506
Altamont, Kansas

Report on Compliance for Each Major Federal Program
We have audited the Unified School District #506's (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 year ended June 30, 2022. Unified District #506'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 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.

Report on Internal Control over Compliance

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

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

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

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

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

March 6, 2023
Pittsburg, Kansas

UNIFIED SCHOOL DISTRICT #506
ALTAMONT, 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 statutory 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 Section 510(a) of the Uniform Guidance? — *__ YES _X_ NO*

IDENTIFICATION OF MAJOR PROGRAMS:

ASSISTANCE LISTING #	NAME OF PROGRAM
10.553. 10.555, 10.559, & 10.582	Child Nutrition Cluster
84.425	Education Stabilization Fund Under CARES Act

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

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

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 assistance with determining which disclosures are required under generally accepted accounting standards and the regulatory basis of accounting. This is a repeat finding from June 30, 2021, and was identified in that report as 2021-001.

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: The District relies on independent auditors to determine the financial statements are in the correct form and include the proper disclosures.

Recommendation: None

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

UNIFIED SCHOOL DISTRICT #506

June 30, 2022 Financial Statements

Corrective Action Plan

Audit Finding 2022-001

USD #506 has always relied upon its auditors to provide significant assistance with adjusting entries and with determining which disclosures were required under generally accepted accounting principles and the regulatory basis of accounting. While USD #506 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 GAAP 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.