USD 289 - WELLSVILLE

Wellsville, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2022

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 289 - WELLSVILLE
Wellsville, Kansas
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December 16, 2022

Board of Education
USD 289 - Wellsville
Wellsville, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of USD 289 - Wellsville (the District), as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2022, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2022, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

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

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

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants
Manhattan, Kansas

USD 289 - WELLSVILLE
Wellsville, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ -	$ 6,438,790	$ 6,438,790	$ -	$ 605,980	$ 605,980
Supplemental General	174,002	-	1,972,962	2,043,516	103,448	55,362	158,810
Special Purpose Funds							
Career and Postsecondary Education	-	-	260,615	260,615	-	8	8
Special Education	208,882	-	1,598,701	1,592,583	215,000	77	215,077
Driver Education	46,406	-	8,234	5,962	48,678	-	48,678
Food Service	110,317	-	600,821	549,280	161,858	4,696	166,554
Capital Outlay	329,648	-	785,146	829,007	285,787	362,844	648,631
Professional Development	-	-	10,000	10,000	-	-	-
Gifts and Grants	14,528	-	43,270	36,771	21,027	1,115	22,142
KPERS Special Contribution	-	-	701,496	701,496	-	-	-
Preschool-Aged At-Risk	-	-	43,741	43,741	-	-	-
At-Risk (K-12)	-	-	712,560	712,560	-	71	71
Virtual Education	1,049	-	-	-	1,049	-	1,049
Recreation Commission Education Fund	36,596	-	335,775	346,911	25,460	-	25,460
Recreation Commission Employee Benefits Fund	1,605	-	17,107	17,134	1,578	-	1,578
District Activity Funds	81,362	-	131,138	150,771	61,729	-	61,729
ESSER	-	-	178,372	391,143	(212,771)	5,040	(207,731)
Textbook Rental Fund	12,317	-	64,301	71,099	5,519	10,832	16,351
Contingency Reserve Fund	225,332	-	-	-	225,332	-	225,332
Title I	-	-	65,422	65,422	-	35	35
Title IIA	-	-	14,296	14,296	-	-	-
Title IV	-	-	13,144	13,144	-	-	-
2021 Bond Project	(18,500)	-	19,046,120	2,040,949	16,986,671	767,399	17,754,070
Bond and Interest Funds							
Bond and Interest	1,299,920	-	1,313,776	900,158	1,713,538	-	1,713,538
Total Reporting Entity (Excluding Agency Funds)	$ 2,523,464	$ -	$ 34,355,787	$ 17,235,348	$ 19,643,903	$ 1,813,459	$ 21,457,362

Composition of Cash	
Checking Accounts	$ 3,072,153
Investment Accounts	193,446
Certificates of Deposit	250,000
Kansas Municipal Investment Pool	18,106,684
Total Cash	$ 21,622,283
Less: Agency funds per Schedule 4	(164,921)
Total Reporting Entity (Excluding Agency Funds)	$ 21,457,362

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

USD 289 - WELLSVILLE
Wellsville, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2022

Note 1: Summary of Significant Accounting Policies

Financial Reporting Entity

USD No. 289 - Wellsville (the District), is a municipal corporation governed by an elected seven member Board. The District as an entity has been defined to include, on a combined basis, (a) the District (b) organizations for which the District is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting District's financial statement to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. 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 District could have the following types of funds:

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

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

Bond and Interest Fund - account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt.

Agency fund -- 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 State of America

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

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

Reimbursed Expenses

Expenditures in the amount of $117,782 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Note 2: Budgetary Information

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

1. Preparation of the budget for the succeeding twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

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

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

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

ESSER	Title IIA
Textbook	Title IV
Contingency Reserve	2021 Bond Project
Title I	District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Note 3: Deposits and Investments

K.S.A. 9-1401 established 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 or depository risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policies 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. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2021.

At June 30, 2022, the carrying amount of the District's cash and certificates was $3,515,599. The bank balance was $3,264,196. The bank balance was held by two banks resulting in a concentration of deposit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $500,000 was secured by FDIC insurance and the balance was collateralized by bank pledged securities with a fair market value of $3,582,344.

Custodial credit risk -- investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 4: In-Substance Payments

The District received $300,888 subsequent to June 30, 2022 and as required by K.S.A. 72-5135(d), the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

Note 5: Pension Plans

Defined Benefit Pension Plan

Plan description: The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions: K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $701,496 for the year ended June 30, 2022.

Net Pension Liability: At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was $5,447,636. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.
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Note 6: Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

Note 7: Stewardship, Compliance and Accountability

We noted no violations of Kansas statutes during the period under examination.

Note 8: Compensated Absences

Discretionary leave of 11 days for 9 month employees and 15 days for 12 month employees are allocated to employees at the beginning of the school year. A certified employee who works for the district for 9 continuous years and leaves the district, or becomes permanently disabled and unable to work, or dies during the contract year, shall be eligible to receive $40.00 per day for a maximum of 90 days if a donation of 10 days to the leave bank has been made during their employment. A classified employee who works for the district and leaves with proper resignation will be compensated for earned number of leave days up to 90 at $30.00 per day. Upon retiring from the District, payment of $30.00 per day will be paid if the employee worked for the district for 5 years and had a donation to the leave bank of 10 days throughout the employment time period. A school administrator employee who works for the district for 10 years and leaves with proper resignation will be compensated for earned number of leave days up to 90 at $50.00 per day.

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

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

In accordance with the above criteria, the District has estimated a liability for discretionary leave, which has been earned, but not taken by District employees of $767,594.

Note 9: Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statement.

Note 10: Interfund Transfers

Operating transfers were as follows:

Fund From	Fund To	Statutory Authority	Amount
General fund	Food Service Fund	K.S.A. 72-6428	$ 4,644
General fund	Professional Development Fund	K.S.A. 72-6428	10,000
General fund	Special Education Fund	K.S.A. 72-6428	894,370
General fund	Career & Postsecondary Fund	K.S.A. 72-6428	99,016
General fund	Preschool-Aged At-Risk	K.S.A. 72-6428	43,741
General fund	At-Risk Fund (K-12)	K.S.A. 72-6428	410,709
Supplemental	Special Education Fund	K.S.A. 72-6425	578,994
Supplemental	Career & Postsecondary Fund	K.S.A. 72-6425	155,000
Supplemental	At-Risk Fund (K-12)	K.S.A. 72-6425	301,851
	Total Transfers		$ 2,498,325

Note 11: 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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care 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.

Early Retirement Incentive

The District had a plan which covered certified employees who voluntarily take early retirement. The plan was in the certified employee negotiated agreement which covered fiscal years from July 1, 2012 and expired June 30, 2014. Any certified employee was eligible for early retirement if such a person was a full time employee, had at least nine years of full time service, and was eligible for retirement benefits under KPERS.

Benefits are payable for a period of five years or until the recipient reached 65 years of age, whichever may first occur. The plan does not issue a separate, publicly available report.

Funded Status and Funding Progress

Since the year of implementation, the plan was not funded, therefore, there is no funded status of the Plan. The plan is funded as obligations occur.

Early retirement incentive payments included the expenditures for the year ended June 30, 2022 were $27,000. As of June 30, 2022, the future early retirement incentive payments are expected to be $81,000.

Note 12: In Substance Receipt in Transit

The District received final state aid payments for the 2021-2022 school year of $300,888 subsequent to June 30, 2022. As required by K.S.A. 72-5135(d), these receipts were treated as in-substance receipts in transit and were included as cash receipts for the year ended June 30, 2022.

Note 13: Subsequent Events

Subsequent events for management's review have been evaluated through December 16, 2022, the date of the Auditor's Report. The date in the prior sentence is the date the financial statement was available to be issued.

Note 14: COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District’s financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2022.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the District to assist with the risks and help offset incurred costs of the District.

Note 15: Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds									
Series 2011A	2.65% - 3.10%	4/25/2011	$ 505,000	9/1/2021	$ 55,000	$ -	$ 55,000	$ -	$ 853
Series 2015A	1.50% - 1.55%	6/15/2015	3,740,000	9/1/2021	645,000	-	645,000	-	4,999
Series 2021A	2% - 4%	10/7/2021	18,105,000	9/1/2047	-	18,105,000	-	18,105,000	194,307
Leases									
Excel Energy	4.50%	10/06/2006	441,408	10/20/2021	39,340	-	39,340	-	1,770
Total Long-Term Debt					$ 739,340	$ 18,105,000	$ 739,340	$ 18,105,000	$ 201,929

Current Maturities of long-term debt and interest for the next five years and in five year increments through the maturity are as follows:

	2023	2024	2025	2026	2027	2028-2032	2033-2037	2038-2042	2043-2047	Total
Principal										
General Obligation Bonds										
Series 2021A	$ 530,000	$ 490,000	$ 510,000	$ 530,000	$ 555,000	$ 3,120,000	$ 3,700,000	$ 4,105,000	$ 4,565,000	$ 18,105,000
Interest										
General Obligation Bonds										
Series 2021A	$ 496,288	$ 475,888	$ 455,888	$ 435,088	$ 413,388	$ 1,709,240	$ 1,149,540	$ 742,290	$ 270,858	$ 6,148,468

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

USD 289 - WELLSVILLE
Wellsville, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2022

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 6,450,747	$ (129,739)	$ 117,782	$ 6,438,790	$ 6,438,790	$ -
Supplemental General	1,968,662	-	84,195	2,052,857	2,043,516	(9,341)
Special Purpose Funds						
Career and Postsecondary Education	310,000	-	-	310,000	260,615	(49,385)
Special Education	1,744,622	-	-	1,744,622	1,592,583	(152,039)
Driver Training	33,110	-	-	33,110	5,962	(27,148)
Food Service	647,528	-	-	647,528	549,280	(98,248)
Capital Outlay	1,036,493	-	-	1,036,493	829,007	(207,486)
Professional Development	10,000	-	-	10,000	10,000	-
Gift and Grants	80,050	-	-	80,050	36,771	(43,279)
KPERS Special Retirement Contribution	830,862	-	-	830,862	701,496	(129,366)
Preschool Aged At Risk	50,000	-	-	50,000	43,741	(6,259)
At-Risk Fund (K-12)	720,000	-	-	720,000	712,560	(7,440)
Virtual Education	100,000	-	-	100,000	-	(100,000)
Recreation Commission	321,451	-	-	321,451	346,911	25,460
Recreation Commission Employee Benefits	15,566	-	-	15,566	17,134	1,568
Bond and Interest Funds						
Bond and Interest	987,462	-	-	987,462	900,158	(87,304)
Total of all Funds	$ 15,306,553	$ (129,739)	$ 201,977	$ 15,378,791	$ 14,488,524	$ (890,267)

USD 289 - WELLSVILLE
Wellsville, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
General	$ 6,321,008	$ 5,496,125	$ 824,883
Special education	-	954,622	(954,622)
Other Sources			
Reimbursements	117,782	-	117,782
Total Cash Receipts	$ 6,438,790	$ 6,450,747	$ (11,957)
EXPENDITURES			
Instruction	$ 3,323,784	$ 3,148,825	$ 174,959
Student support services	217,824	219,000	(1,176)
Instructional support staff	146,529	187,000	(40,471)
General administration	304,120	214,500	89,620
School administration	447,249	484,000	(36,751)
Operations and maintenance	73,379	15,000	58,379
Student transportation	366,502	213,800	152,702
Central support services	96,923	124,000	(27,077)
Operating transfers	1,462,480	1,844,622	(382,142)
Total Certified Budget	$ 6,438,790	$ 6,450,747	$ (11,957)
Adjustment to comply with legal maximum	-	(129,739)	129,739
Legal General Fund Budget	$ 6,438,790	$ 6,321,008	$ 117,782
Adjustments for qualifying budget credits	-	117,782	(117,782)
Total Expenditures	$ 6,438,790	$ 6,438,790	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 289 - WELLSVILLE
Wellsville, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 923,508	$ 10,360	$ 913,148
Delinquent tax	21,061	14,260	6,801
Reimbursements	84,195	-	84,195
County Sources			
Motor vehicle tax	114,950	113,488	1,462
RV tax	3,199	2,556	643
CV tax	5,693	4,969	724
State Sources			
Supplemental state aid	820,356	823,491	(3,135)
Total Cash Receipts	$ 1,972,962	$ 969,124	$ 1,003,838
EXPENDITURES			
Instruction	$ 25,128	$ 35,000	$ (9,872)
Student support services	138,134	49,170	88,964
Instructional support staff	252,849	199,500	53,349
Operations and maintenance	591,560	674,992	(83,432)
Operating transfers	1,035,845	1,010,000	25,845
Total Certified Budget	$ 2,043,516	$ 1,968,662	$ 74,854
Adjustment to comply with legal maximum	-	-	-
Legal Supplemental General Fund Budget	$ 2,043,516	$ 1,968,662	$ 74,854
Budget credits	-	84,195	(84,195)
Total Expenditures	$ 2,043,516	$ 2,052,857	$ (9,341)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (70,554)		
UNENCUMBERED CASH - BEGINNING	174,002		
UNENCUMBERED CASH - ENDING	$ 103,448		

USD 289 - WELLSVILLE
Wellsville, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal Sources			
Federal aid	$ 6,599	$ -	$ 6,599
Other Sources			
Operating transfers	254,016	310,000	(55,984)
Total Cash Receipts	$ 260,615	$ 310,000	$ (49,385)
EXPENDITURES			
Instruction	$ 216,675	$ 257,500	$ (40,825)
Student transportation	43,940	52,500	(8,560)
Total Expenditures	$ 260,615	$ 310,000	$ (49,385)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 289 - WELLSVILLE
Wellsville, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal Sources			
Federal aid	$ 125,337	$ 105,000	$ 20,337
Other Sources			
Operating transfers	1,473,364	1,664,622	(191,258)
Total Cash Receipts	$ 1,598,701	$ 1,769,622	$ (170,921)
EXPENDITURES			
Instruction	$ 1,524,238	$ 1,723,597	$ (199,359)
Operations and maintenance	2,045	1,850	195
Student transportation	66,300	19,175	47,125
Total Expenditures	$ 1,592,583	$ 1,744,622	$ (152,039)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 6,118		
UNENCUMBERED CASH - BEGINNING	208,882		
UNENCUMBERED CASH - ENDING	$ 215,000		

USD 289 - WELLSVILLE
Wellsville, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 2,500	$ -	$ 2,500
State Sources			
State aid	5,734	4,800	934
Total Cash Receipts	$ 8,234	$ 4,800	$ 3,434
EXPENDITURES			
Instruction	$ 5,962	$ 13,110	$ (7,148)
Other support services	-	20,000	(20,000)
Total Expenditures	$ 5,962	$ 33,110	$ (27,148)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,272		
UNENCUMBERED CASH - BEGINNING	46,406		
UNENCUMBERED CASH - ENDING	$ 48,678		

USD 289 - WELLSVILLE
Wellsville, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Charges for services	$ 6,252	$ 593	$ 5,659
State Sources			
School food assistance	4,042	3,400	642
Federal Sources			
Child nutrition programs	585,883	623,355	(37,472)
Other Sources			
Operating transfers	4,644	-	4,644
Total Cash Receipts	$ 600,821	$ 627,348	$ (26,527)
EXPENDITURES			
Operations and maintenance	$ 3,949	$ -	$ 3,949
Food service operations	545,331	647,528	(102,197)
Total Expenditures	$ 549,280	$ 647,528	$ (98,248)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 51,541		
UNENCUMBERED CASH - BEGINNING	110,317		
UNENCUMBERED CASH - ENDING	$ 161,858		

USD 289 - WELLSVILLE
Wellsville, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 558,725	$ 530,089	$ 28,636
Delinquent tax	10,930	7,664	3,266
Interest income	17,599	-	17,599
Reimbursement	10,128	-	10,128
County Sources			
Motor vehicle tax	61,780	59,701	2,079
RV tax	1,617	1,345	272
CV tax	435	2,614	(2,179)
State Sources			
State aid	123,932	123,932	-
Total Cash Receipts	$ 785,146	$ 725,345	$ 59,801
EXPENDITURES			
Instruction	$ 105,637	$ 100,000	$ 5,637
Instructional support staff	-	25,000	(25,000)
Operations and maintenance	-	100,000	(100,000)
Student transportation	235,144	-	235,144
Facility acquisition and construction services	488,226	811,493	(323,267)
Total Expenditures	$ 829,007	$ 1,036,493	$ (207,486)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (43,861)		
UNENCUMBERED CASH - BEGINNING	329,648		
UNENCUMBERED CASH - ENDING	$ 285,787		

USD 289 - WELLSVILLE
Wellsville, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Operating transfers	$ 10,000	$ 10,000	$ -
EXPENDITURES			
Instructional support staff	$ 6,898	$ 10,000	$ (3,102)
School administration	60	-	60
Central support services	3,042	-	3,042
Total Expenditures	$ 10,000	$ 10,000	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 289 - WELLSVILLE
Wellsville, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Contributions and donations	$ 21,000	$ 50,000	$ (29,000)
State Sources			
State aid	11,135	15,000	(3,865)
Federal Sources			
Federal aid	11,135	15,000	(3,865)
Total Cash Receipts	$ 43,270	$ 80,000	$ (36,730)
EXPENDITURES			
Instruction	$ 36,771	$ 80,050	$ (43,279)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 6,499		
UNENCUMBERED CASH - BEGINNING	14,528		
UNENCUMBERED CASH - ENDING	$ 21,027		

USD 289 - WELLSVILLE
Wellsville, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 701,496	$ 830,862	$ (129,366)
EXPENDITURES			
Instruction	$ 448,956	$ 525,000	$ (76,044)
Student support services	49,105	55,000	(5,895)
Instructional support staff	35,075	45,000	(9,925)
General administration	28,060	35,000	(6,940)
School administration	42,090	50,000	(7,910)
Operations and maintenance	42,090	50,000	(7,910)
Student transportation	21,045	25,862	(4,817)
Central support services	21,045	25,000	(3,955)
Food service operations	14,030	20,000	(5,970)
Total Expenditures	$ 701,496	$ 830,862	$ (129,366)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 289 - WELLSVILLE
Wellsville, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Operating transfers	$ 43,741	$ 50,000	$ (6,259)
EXPENDITURES			
Instruction	$ 43,741	$ 50,000	$ (6,259)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 289 - WELLSVILLE
Wellsville, Kansas
AT-RISK FUND (K-12)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Operating transfers	$ 712,560	$ 720,000	$ (7,440)
EXPENDITURES			
Instruction	$ 667,251	$ 664,950	$ 2,301
Student support services	45,309	55,050	(9,741)
Total Expenditures	$ 712,560	$ 720,000	$ (7,440)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

USD 289 - WELLSVILLE
Wellsville, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Operating transfers	$ -	$ 100,000	$ (100,000)
EXPENDITURES			
Instruction	$ -	$ 100,000	$ (100,000)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	1,049		
UNENCUMBERED CASH - ENDING	$ 1,049		

USD 289 - WELLSVILLE
Wellsville, Kansas
RECREATION COMMISSION EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 272,236	$ 258,802	$ 13,434
Reimbursements	25,460	-	25,460
Delinquent tax	5,492	3,833	1,659
County Sources			
Motor vehicle tax	30,227	29,881	346
RV tax	896	673	223
CV tax	1,464	1,308	156
Total Cash Receipts	$ 335,775	$ 294,497	$ 41,278
EXPENDITURES			
Community service operations	$ 346,911	$ 321,451	$ 25,460
RECEIPTS OVER (UNDER) EXPENDITURES	$ (11,136)		
UNENCUMBERED CASH - BEGINNING	36,596		
UNENCUMBERED CASH - ENDING	$ 25,460		

USD 289 - WELLSVILLE
Wellsville, Kansas
RECREATION COMMISSION EMPLOYEE BENEFITS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 13,622	$ 12,921	$ 701
Delinquent tax	274	192	82
Reimbursements	1,578	-	1,578
County Sources			
Motor vehicle tax	1,559	1,502	57
RV tax	28	34	(6)
CV tax	46	66	(20)
Total Cash Receipts	$ 17,107	$ 14,715	$ 2,392
EXPENDITURES			
Community Service Operations	$ 17,134	$ 15,566	$ 1,568
RECEIPTS OVER (UNDER) EXPENDITURES	$ (27)		
UNENCUMBERED CASH - BEGINNING	1,605		
UNENCUMBERED CASH - ENDING	$ 1,578		

USD 289 - WELLSVILLE
Wellsville, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 1,090,495	$ 1,043,024	$ 47,471
Delinquent tax	9,024	4,600	4,424
Motor vehicle tax	48,218	47,379	839
RV tax	1,357	1,067	290
CV tax	2,001	2,074	(73)
State aid/grants	162,674	162,346	328
Interest income	7	-	7
Total Cash Receipts	$ 1,313,776	$ 1,260,490	$ 53,286
EXPENDITURES			
Debt service	$ 900,158	$ 987,462	$ (87,304)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 413,618		
UNENCUMBERED CASH - BEGINNING	1,299,920		
UNENCUMBERED CASH - ENDING	$ 1,713,538		

USD 289 - WELLSVILLE
Wellsville, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2022

	ESSER	Textbook	Contingency Reserve	Title I	Title IIA	Title IV	2021 Bond Project
CASH RECEIPTS							
Local Sources							
Bond proceeds	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,025,134
Interest	-	-	-	-	-	-	20,986
Other	-	64,301	-	-	-	-	-
Federal Sources							
Federal aid	178,372	-	-	65,422	14,296	13,144	-
Total Cash Receipts	$ 178,372	$ 64,301	$ -	$ 65,422	$ 14,296	$ 13,144	$ 19,046,120
EXPENDITURES							
Instruction	$ 185,333	$ 70,462	$ -	$ 65,422	$ 14,296	$ 13,144	$ -
Student support services	35,994	-	-	-	-	-	-
Instructional support staff	68,030	637	-	-	-	-	-
General Administration	11,075	-	-	-	-	-	-
School administration	33,601	-	-	-	-	-	-
Central services	8,645	-	-	-	-	-	132,057
Operations and maintenance	24,855	-	-	-	-	-	1,803
Student transportation	7,532	-	-	-	-	-	-
Food service	1,078	-	-	-	-	-	-
Facility acquisition and construction	15,000	-	-	-	-	-	1,907,089
Total Expenditures	$ 391,143	$ 71,099	$ -	$ 65,422	$ 14,296	$ 13,144	$ 2,040,949
RECEIPTS OVER (UNDER) EXPENDITURES	$ (212,771)	$ (6,798)	$ -	$ -	$ -	$ -	$ 17,005,171
UNENCUMBERED CASH - BEGINNING	-	12,317	225,332	-	-	-	(18,500)
UNENCUMBERED CASH - ENDING	$ (212,771)	$ 5,519	$ 225,332	$ -	$ -	$ -	$ 16,986,671

USD 289 - WELLSVILLE
Wellsville, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2022

	Balance July 1, 2021	Cash Receipts	Cash Disbursements	Balance June 30, 2022
Payroll liabilities	$ 20,003	$ 1,245	$ 409	$ 20,839
High School Memorial Scholarships	914	3,000	-	3,914
High School	72,592	113,522	83,538	102,576
Middle School	8,518	5,913	4,691	9,740
Elementary School	5,459	35,322	12,929	27,852
Total Agency Funds	$ 107,486	$ 159,002	$ 101,567	$ 164,921

USD 289 - WELLSVILLE
Wellsville, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2022

	Balance July 1, 2020	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Balance June 30, 2021
Gate Receipts						
HS Gate Receipts	$ 6,404	$ 59,100	$ 58,191	$ 7,313	$ -	$ 7,313
Concessions	1,131	26,723	21,245	6,609	-	6,609
MS Gate Receipts	283	7,689	7,714	258	-	258
Subtotal Gate Receipts	$ 7,818	$ 93,512	$ 87,150	$ 14,180	$ -	$ 14,180
School Projects						
High School						
HS Life Class	$ 2,376	$ 819	$ 583	$ 2,612	$ -	$ 2,612
Mentor	7,353	3,033	2,480	7,906	-	7,906
Counselor	41	175	-	216	-	216
Interest income	1,937	888	-	2,825	-	2,825
Wall of Fame	1,266	-	407	859	-	859
Career Fair	159	-	-	159	-	159
Staff Incentive	452	-	233	219	-	219
District collections	-	12,743	12,743	-	-	-
Yearbook	2,072	3,046	1,607	3,511	-	3,511
Clearing	4,056	-	4,001	55	-	55
Middle School						
Teacher incentives	598	-	580	18	-	18
School Supplies/Counselor	597	-	-	597	-	597
Yearbook	3,414	2,770	2,931	3,253	-	3,253
District collections	39	5,823	5,254	608	-	608
Grade School Projects	49,184	8,329	32,802	24,711	-	24,711
Subtotal School Projects	$ 73,544	$ 37,626	$ 63,621	$ 47,549	$ -	$ 47,549
Total District Activity Funds	$ 81,362	$ 131,138	$ 150,771	$ 61,729	$ -	$ 61,729

VARNEY
& ASSOCIATES, CPAs, LLC

December 16, 2022

Board of Education
Unified School District No. 289
Wellsville, Kansas

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

We have audited, in accordance with 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 the Unified School District No. 289 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated December 16, 2022.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the 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 may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

VARNEY
& ASSOCIATES, CPAs, LLC

December 16, 2022

Board of Education
Unified School District No. 289
Wellsvile, Kansas

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 289 (the District), with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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Report on Internal Control Over Compliance

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

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

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

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 289
Wellsville, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

	Assistance Number	Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Department of Agriculture				
Passed through Kansas Department of Education				
Child Nutrition Cluster				
School Breakfast	10.553	DO289	$ 94,877	$ -
COVID-19 - National School Lunch Program	10.555	DO289	367,443	-
Summer Food Service Program for Children	10.559	DO289	63,739	-
Cash for Commodities	10.559	DO289	22,607	-
Subtotal Child Nutrition Cluster			$ 548,666	$ -
COVID-19 Coronavirus	10.649	DO289	$ 614	$ -
Total U.S. Department of Agriculture			$ 549,280	$ -
U.S. Department of Education				
Passed through Kansas Department of Education				
Title I Low Income	84.010	DO289	$ 65,422	$ -
Homeless Child	84.196	DO289	11,185	-
Early Childhood Aid	84.367	DO289	14,296	-
Supporting Effective Instruction	84.424A	DO289	13,144	-
COVID-19 - Emergency and Secondary School Emergency Relief	84.425D	DO289	358,213	-
Total U.S. Department of Education			$ 462,260	$ -
U.S. Department of Health and Human Services				
Passed through Kansas Department of Education				
COVID-19 - KDHE K-12 COVID Testing Grant	93.323	DO289	$ 76,250	$ -
TANF - Early Learning Kansas	93.558	DO289	11,135	-
Total U.S. Department of Health and Human Services			$ 87,385	$ -
TOTAL FEDERAL ASSISTANCE			$ 1,098,925	$ -

UNIFIED SCHOOL DISTRICT NO. 289
Wellsville, Kansas
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2022

Note 1: Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 289 Wellsville, Kansas, and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement.

Note 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 3: Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4: Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2022.

Note 5: Outstanding Loans

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

Note 6: Sub-recipient Grants

No federal awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 289
Wellsville, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statement

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

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	___ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number
Child Nutrition Cluster	10.553, 10.555, 10.559

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

Note:

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

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.