



Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

December 1, 2022

To Superintendent and School Board Members
Unified School District Number 214
Ulysses, Kansas 67880

We have audited the financial statement of Unified School District Number 214 for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 15, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Unified School District Number 214 are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by Unified School District Number 214 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statement taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 1, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Unified School District Number 214's financial statement or a determination of the type of auditor's opinion that may be expressed on those statement, our professional standards require the consulting accountant

to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Unified School District Number 214's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

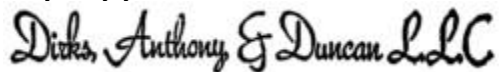
Other Matters

We applied certain limited procedures to Schedule 2 through 4 which are regulatory required supplementary information (RRSI) that supplements the basic financial statement. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statement. We did not audit the RRSI and do not express an opinion or provide any assurance on the RRSI.

Restriction on Use

This information is intended solely for the information and use of the Superintendent, school board members and management of Unified School District Number 214 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Dirks, Anthony & Duncan LLC". The signature is written in a cursive, flowing style.

Dirks, Anthony & Duncan, LLC
Certified Public Accountants

Unified School District Number 214

Ulysses, Kansas

FINANCIAL STATEMENT

WITH REGULATORY - REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2022

Dirks, Anthony & Duncan, LLC
Certified Public Accountants
Ulysses, Kansas

Unified School District Number 214

Ulysses, Kansas

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INDEPENDENT AUDITOR'S REPORT

Superintendent and Board of Education
Unified School District Number 214
Ulysses, Kansas 67880

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the Unified School District Number 214 which comprise the statement of receipts, expenditures, and unencumbered cash as of 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 Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Unified School District Number 214, as of June 30, 2022, or changes in net position, or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above present fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District Number 214, as of June 30, 2022, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as 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, 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 Unified School District Number 214, 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 Opinions on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District Number 214, on the basis of the financial reporting provisions of *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 and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are 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 Unified School District Number 214's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 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 generally accepted auditing standards, 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 Unified School District Number 214'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 Unified School District Number 214'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, schedule of receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3, and 4, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

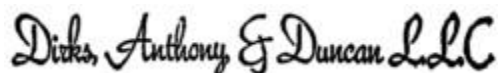
We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Unified School District Number 214 as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated January 10, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/oar/municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for the purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Unified School District Number 214's basic financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 themselves, 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, 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 December 1, 2022, on our consideration of the Unified School District Number 214'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 Unified School District Number 214'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 Unified School District Number 214's internal control over financial reporting and compliance.



DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

December 1, 2022

Unified School District Number 214
Ulysses, Kansas

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Unified School District Number 214
Ulysses, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2022

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ -	\$ 11,103,170	\$ 11,103,170	\$ -	\$ 27,052	\$ 27,052
Supplemental General	178,712	3,557,884	3,452,784	283,812	34,155	317,967
Special Purpose Funds:						
KPERS Special Retirement	-	1,435,186	1,435,186	-	-	-
Adult Education	69,075	47,892	58,391	58,576	171	58,747
Preschool-Aged At-Risk	121,441	110,000	117,893	113,548	-	113,548
At-Risk (K-12)	255,779	2,360,000	2,371,099	244,680	-	244,680
Bilingual Education	149,947	378,000	384,943	143,004	-	143,004
Virtual Education	314,205	97,465	58,882	352,788	-	352,788
Capital Outlay	2,851,587	1,337,246	2,531,902	1,656,931	694,507	2,351,438
Driver Training	66,377	6,832	992	72,217	-	72,217
Food Service	243,648	1,240,921	1,056,012	428,557	-	428,557
Professional Development	97,746	-	58,353	39,393	126	39,519
Special Education	994,002	1,411,351	1,511,628	893,725	-	893,725
Career and Postsecondary Education	201,294	340,000	345,250	196,044	350	196,394
Contingency Reserve	1,072,531	-	-	1,072,531	-	1,072,531
Rec. Commission - General	71,859	809,859	808,000	73,718	-	73,718
Rec. Commission - Emp. Benefits	21,562	229,032	229,250	21,344	-	21,344
Textbook Rental	428,432	191,838	224,180	396,090	56,408	452,498
Health Insurance	1,522,893	1,525,449	1,520,976	1,527,366	-	1,527,366
State, Federal and Other Grants	32,481	1,065,239	1,690,514	(592,794)	610,108	17,314
District Activity	89,538	259,239	274,914	73,863	-	73,863
Bond and Interest Fund:						
Bond & Interest	138,819	-	-	138,819	-	138,819
Total Primary Government	\$ 8,921,928	\$ 27,506,603	\$ 29,234,319	\$ 7,194,212	\$ 1,422,877	\$ 8,617,089

Composition Of Cash

Demand Deposits	\$ 418,911
Money Markets	8,318,916
Total Cash	\$ 8,737,827
Agency Funds Per Schedule 4	(120,738)
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 8,617,089</u>

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

Unified School District Number 214
Ulysses, Kansas

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Unified School District Number 214
Ulysses, Kansas
Notes to the Financial Statement
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

Unified School District Number 214, Ulysses, Kansas, operates as a municipal corporation in accordance with the laws of the State of Kansas. The District is governed by an elected seven-member board. This regulatory financial statement presents Unified School District Number 214 (the District), the municipality but does not include its related municipal entities. The related municipal entity, which was established to benefit the District and/or its constituents, has been elected by the board not to be included in the District's reporting entity.

Component Unit

1. *Grant County Recreation Commission* - The Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

b) Regulatory Basis Fund Types

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 regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

c) Basis of Accounting

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

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

d) 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), bond and interest funds, and business 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 calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on

Unified School District Number 214
Ulysses, Kansas
Notes to the Financial Statement
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

the budget.

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District did hold a revenue neutral hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendment for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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.

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

Contingency Reserve Fund, Textbook Rental Fund, Health Care Fund, and State, Federal and Other Grant Funds.

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

NOTE 2 – 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%. The District does not use designated "peak periods".

Unified School District Number 214
Ulysses, Kansas
Notes to the Financial Statement
June 30, 2022

NOTE 2 – DEPOSITS AND INVESTMENTS, CONTINUED

At June 30, 2022 the carrying amount of the District's deposits, including certificates of deposit, was \$8,617,089 and the bank balance was \$10,043,381. The bank balance was held by three banks. Approximately 99.83% of the bank balance was held in two of the banks, resulting in a concentration of credit risk. Of the bank balance, \$5,213,923 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institution's agents in the District's name.

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. The District had no investments of this type at June 30, 2022.

NOTE 3 – RETIREMENT 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 before 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 contribution are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

Senate Substitute for House Bill 2052 authorized the delay of \$64.1 million in fiscal year 2017 contributions. The 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 schedule 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 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 of retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,435,186 for the year ended June 30, 2022.

Unified School District Number 214
Ulysses, Kansas
Notes to the Financial Statement
June 30, 2022

NOTE 3 – RETIREMENT PLAN, CONTINUED

Net Pension Liability

At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was \$10,919,217. 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 contribution to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the financial statement.

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.

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

- a) *Other Post-Employment Benefits.* As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level 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 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.

- b) *Sick Leave.* District employees who regularly work more than thirty-five hours per week earn between ten and sixty days. Classified employees may accumulate unused sick leave from previous years up to sixty days. Certified staff accumulates all of the prior year's sick leave, plus 10 days up to a maximum of sixty days. Employees have the right to donate up to two of his/her sick leave days to another employee of the district in each contract period.
- c) *Personal Days.* All full-time employees, excluding school nurses, defined as working either thirty hours or over, receive one personal business day per year, accumulative to two during the fiscal year. School Nurses, also considered full-time, are granted two personal days, accumulative to three. Personal days of certified staff may be paid out at \$100 a day with up to one personal day being carried over into the next contract year.
- d) *Vacation Days.* Classified staff, the Superintendent and the Assistant Superintendent are eligible for vacation days. Classified staff receive vacation days range from 10 to 20 days based on years of service with the District. The Superintendent and/or Assistant Superintendent's vacation days, which range from 15 to 25 days, is based upon years of experience. Accumulated vacation is paid to employees upon termination, retirement or resignation. The liability for accumulated vacation pay is not shown on this financial statement in accordance with a statutory based financial statement.

Any vacation day carried over from preceding contract year that is not used by June 30th of the current contract year shall be forfeited.

- e) *Payment for Unused Sick Leave.* The Board of Education shall pay each teacher upon retirement under KPERS, in the case of a disability that would prevent continued employment by the district, or the teacher's beneficiaries in the event of the teacher's death.
- f) *Termination Benefits.* Eligible employees of USD 214, who are prior to the age of 65, may elect to resign or retire with termination benefits. The employee shall be entitled to no more than three years of benefits and the benefits shall terminate in the event of death and no payment shall be made by the beneficiary. The district will not make early retirement incentive payments to any employee who has not already begun receiving retirement benefits from KPERS.

Unified School District Number 214
Ulysses, Kansas
Notes to the Financial Statement
June 30, 2022

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS, CONTINUED

Eligible employees must be a current full-time employee and have twenty or more years employment service with USD 214 and has reached age 58. The maximum amount of payment will be \$8,000 each year for three years.

NOTE 5 – IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$419,829 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.

NOTE 6 – INTERFUND TRANSFERS

Interfund operating transfers are as follows:

Fund Transferred Out:	Fund Transferred To:	Statutory Authority	Amount
General	Virtual Education	K.S.A. 72-6428	\$ 97,465
General	Bilingual Education	K.S.A. 72-6428	238,000
General	Adult Education	K.S.A. 72-6428	19,488
General	Special Education	K.S.A. 72-6428	911,431
General	Career and Postsecondary Education	K.S.A. 72-6428	340,000
General	Textbook	K.S.A. 72-6428	150,000
General	Preschool-Aged At-Risk	K.S.A. 72-6428	110,000
General	At-Risk (K-12)	K.S.A. 72-6428	1,870,000
Supplemental General	Adult Education	K.S.A. 72-6428	28,204
Supplemental General	Bilingual Education	K.S.A. 72-6428	140,000
Supplemental General	Special Education	K.S.A. 72-6428	400,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6428	490,000

NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration, and Interpretation by legal repetition of the Municipality.

There were no cash law or budget law violations for the year ending June 30, 2022.

NOTE 8 – CLAIMS, JUDGEMENTS AND RISK MANAGEMENT

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material impact on the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage in the 2022 fiscal year, and there were no settlements that exceeded insurance coverage in the past three years.

Unified School District Number 214
Ulysses, Kansas
Notes to the Financial Statement
June 30, 2022

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

Unified School District Number 214
Ulysses, Kansas

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Unified School District Number 214
 Ulysses, Kansas
Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
 Regulatory Basis
 For the Year Ended June 30, 2022

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to comply with Legal Maximum</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
<u>General Funds:</u>					
General	\$ 11,799,923	\$ (696,753)	\$ 11,103,170	\$ 11,103,170	\$ -
Supplemental General	3,639,956	(187,172)	3,452,784	3,452,784	-
<u>Special Purpose Funds:</u>					
KPERS Special Retirement	1,590,033		1,590,033	1,435,186	(154,847)
Adult Education	109,075		109,075	58,391	(50,684)
Preschool-Aged At-Risk	231,441		231,441	117,893	(113,548)
At-Risk (K-12)	3,096,894		3,096,894	2,371,099	(725,795)
Bilingual Education	499,947		499,947	384,943	(115,004)
Virtual Education	374,205		374,205	58,882	(315,323)
Capital Outlay	4,105,987		4,105,987	2,531,902	(1,574,085)
Driver Training	87,077		87,077	992	(86,085)
Food Service	1,252,786		1,252,786	1,056,012	(196,774)
Professional Development	137,746		137,746	58,353	(79,393)
Special Education	2,387,499		2,387,499	1,511,628	(875,871)
Career and Postsecondary Education	561,293		561,293	345,250	(216,043)
Rec. Commission - General	808,000		808,000	808,000	-
Rec. Commission - Emp. Benefits	229,250		229,250	229,250	-
<u>Debt Service Fund:</u>					
Bond & Interest	-		-	-	-

Unified School District Number 214
 Ulysses, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
State Aid	\$ 10,579,483	\$ 10,081,849	\$ 10,776,656	\$ (694,807)
Mineral Production Tax	29,773	109,890	29,770	80,120
Special Education Aid	935,112	911,431	993,497	(82,066)
Federal Aid- Reimbursement	100	-	-	-
State Aid - Reimbursement	4,667	-	-	-
Total Receipts	<u>11,549,135</u>	<u>11,103,170</u>	<u>\$ 11,799,923</u>	<u>\$ (696,753)</u>
Expenditures				
Instruction	4,239,371	3,882,807	4,157,561	(274,754)
Student Support Services	313,806	289,421	324,500	(35,079)
Instructional Support Staff	221,685	193,748	210,000	(16,252)
General Administration	480,963	431,934	482,500	(50,566)
School Administration	1,087,386	1,076,654	1,088,000	(11,346)
Central Services	362,493	397,828	363,000	34,828
Operations and Maintenance	895,590	747,736	865,250	(117,514)
Student Transportation Services	373,076	346,658	384,500	(37,842)
Operating Transfers	3,574,765	3,736,384	3,924,612	(188,228)
Adjustment to Comply with Legal Max			(696,753)	696,753
Legal General Fund Budget	11,549,135	11,103,170	11,103,170	-
Adjustment for Qualifying Budget Credits	-	-	-	-
Total Expenditures	<u>11,549,135</u>	<u>11,103,170</u>	<u>\$ 11,103,170</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-		<u>\$ (696,753)</u>
Unencumbered Cash, July 1	<u>-</u>	<u>-</u>		
Unencumbered Cash, June 30	<u>\$ -</u>	<u>\$ -</u>		

Unified School District Number 214
 Ulysses, Kansas
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Ad Valorem Tax	\$ 2,341,707	\$ 2,204,903	\$ 257,054	\$ 1,947,849
Delinquent Tax	38,717	26,918	23,793	3,125
Motor Vehicle Tax Collections	177,174	186,502	134,672	51,830
Recreational Vehicle Tax Collections	3,683	3,595	2,596	999
Supplemental State Aid	943,696	1,135,966	1,197,546	(61,580)
Total Receipts	<u>3,504,977</u>	<u>3,557,884</u>	<u>\$ 1,615,661</u>	<u>\$ 1,942,223</u>
Expenditures				
Instruction	1,110,394	1,101,522	1,155,000	(53,478)
Student Support Services	22,342	18,498	25,000	(6,502)
General Administration	137,889	171,556	127,956	43,600
School Administration	208,731	225,085	220,000	5,085
Operations and Maintenance	676,611	833,642	725,500	108,142
Student Transportation Services	39,154	44,277	46,500	(2,223)
Operating Transfers	1,293,589	1,058,204	1,340,000	(281,796)
Adjustment to Comply With Legal max			(187,172)	187,172
Total Expenditures	<u>3,488,710</u>	<u>3,452,784</u>	<u>\$ 3,452,784</u>	<u>-</u>
Receipts Over (Under) Expenditures	16,267	105,100		<u>\$ 1,942,223</u>
Unencumbered Cash, July 1	<u>162,445</u>	<u>178,712</u>		
Unencumbered Cash, June 30	<u>\$ 178,712</u>	<u>\$ 283,812</u>		

Unified School District Number 214
 Ulysses, Kansas
KPERS Special Retirement Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
State Revenue	<u>\$ 1,376,652</u>	<u>\$ 1,435,186</u>	<u>\$ 1,590,033</u>	<u>\$ (154,847)</u>
Total Receipts	<u>1,376,652</u>	<u>1,435,186</u>	<u>\$ 1,590,033</u>	<u>\$ (154,847)</u>
Expenditures				
Employee Benefits	<u>1,376,652</u>	<u>1,435,186</u>	<u>1,590,033</u>	<u>(154,847)</u>
Total Expenditures	<u>1,376,652</u>	<u>1,435,186</u>	<u>\$ 1,590,033</u>	<u>(154,847)</u>
Receipts Over (Under) Expenditures	-	-		<u>\$ -</u>
Unencumbered Cash, July 1	<u>-</u>	<u>-</u>		
Unencumbered Cash, June 30	<u>\$ -</u>	<u>\$ -</u>		

Unified School District Number 214
 Ulysses, Kansas
Adult Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers In	\$ 45,000	\$ 47,692	\$ 40,000	\$ 7,692
Miscellaneous Revenue	<u>490</u>	<u>200</u>	<u>-</u>	<u>200</u>
Total Receipts	<u>45,490</u>	<u>47,892</u>	<u>\$ 40,000</u>	<u>\$ 7,892</u>
Expenditures				
Instruction	46,643	49,767	106,575	(56,808)
Student Support Services	<u>843</u>	<u>8,624</u>	<u>2,500</u>	<u>6,124</u>
Total Expenditures	<u>47,486</u>	<u>58,391</u>	<u>\$ 109,075</u>	<u>(50,684)</u>
Receipts Over (Under) Expenditures	(1,996)	(10,499)		<u>\$ 58,576</u>
Unencumbered Cash, July 1	<u>71,071</u>	<u>69,075</u>		
Unencumbered Cash, June 30	<u>\$ 69,075</u>	<u>\$ 58,576</u>		

Unified School District Number 214
 Ulysses, Kansas
Preschool-Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers In	\$ 115,000	\$ 110,000	\$ 110,000	\$ -
Total Receipts	<u>115,000</u>	<u>110,000</u>	<u>\$ 110,000</u>	<u>\$ -</u>
Expenditures				
Instruction	<u>113,340</u>	<u>117,893</u>	<u>231,441</u>	<u>(113,548)</u>
Total Expenditures	<u>113,340</u>	<u>117,893</u>	<u>\$ 231,441</u>	<u>(113,548)</u>
Receipts Over (Under) Expenditures	1,660	(7,893)		<u>\$ 113,548</u>
Unencumbered Cash, July 1	<u>119,781</u>	<u>121,441</u>		
Unencumbered Cash, June 30	<u>\$ 121,441</u>	<u>\$ 113,548</u>		

Unified School District Number 214
 Ulysses, Kansas
At-Risk Fund (K-12)
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers In	<u>\$ 2,180,000</u>	<u>\$ 2,360,000</u>	<u>\$ 2,841,115</u>	<u>\$ (481,115)</u>
Total Receipts	<u>2,180,000</u>	<u>2,360,000</u>	<u>\$ 2,841,115</u>	<u>\$ (481,115)</u>
Expenditures				
Instruction	2,178,308	2,369,679	3,094,394	(724,715)
Student Support Services	-	558	-	558
Instructional Support Staff	<u>1,556</u>	<u>862</u>	<u>2,500</u>	<u>(1,638)</u>
Total Expenditures	<u>2,179,864</u>	<u>2,371,099</u>	<u>\$ 3,096,894</u>	<u>(725,795)</u>
Receipts Over (Under) Expenditures	136	(11,099)		<u>\$ 244,680</u>
Unencumbered Cash, July 1	<u>255,643</u>	<u>255,779</u>		
Unencumbered Cash, June 30	<u>\$ 255,779</u>	<u>\$ 244,680</u>		

Unified School District Number 214
 Ulysses, Kansas
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers In	\$ 375,000	\$ 378,000	\$ 350,000	\$ 28,000
Total Receipts	<u>375,000</u>	<u>378,000</u>	<u>\$ 350,000</u>	<u>\$ 28,000</u>
Expenditures				
Instruction	<u>372,107</u>	<u>384,943</u>	<u>499,947</u>	<u>(115,004)</u>
Total Expenditures	<u>372,107</u>	<u>384,943</u>	<u>\$ 499,947</u>	<u>(115,004)</u>
Receipts Over (Under) Expenditures	2,893	(6,943)		<u>\$ 143,004</u>
Unencumbered Cash, July 1	<u>147,054</u>	<u>149,947</u>		
Unencumbered Cash, June 30	<u>\$ 149,947</u>	<u>\$ 143,004</u>		

Unified School District Number 214
 Ulysses, Kansas
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers In	\$ 81,670	\$ 97,465	\$ 60,000	\$ 37,465
Total Receipts	<u>81,670</u>	<u>97,465</u>	<u>\$ 60,000</u>	<u>\$ 37,465</u>
Expenditures				
Instruction	55,507	58,882	374,205	(315,323)
Operations and Maintenance	<u>5,083</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>60,590</u>	<u>58,882</u>	<u>\$ 374,205</u>	<u>(315,323)</u>
Receipts Over (Under) Expenditures	21,080	38,583		<u>\$ 352,788</u>
Unencumbered Cash, July 1	<u>293,125</u>	<u>314,205</u>		
Unencumbered Cash, June 30	<u>\$ 314,205</u>	<u>\$ 352,788</u>		

Unified School District Number 214
Ulysses, Kansas
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Receipts				
Ad Valorem Tax	\$ 762,095	\$ 852,838	\$ 828,447	\$ 24,391
Delinquent Tax	7,985	8,916	7,718	1,198
Motor Vehicle Tax	63,109	61,760	44,786	16,974
Recreation Vehicle Tax	1,211	1,190	863	327
Interest	13,910	13,209	10,000	3,209
Donations	-	17,436	-	17,436
Sale of Equipment	62,612	17,376	-	17,376
Insurance Claims	13,043	40,941	-	40,941
SPARKS Grant - Reimbursement	303,073	-	-	-
Rental Income	7,668	10,620	-	10,620
Miscellaneous	17,073	506	50,000	(49,494)
State Aid	64,484	312,454	313,080	(626)
Total Receipts	<u>1,316,263</u>	<u>1,337,246</u>	<u>\$ 1,254,894</u>	<u>\$ 82,352</u>
Expenditures				
Instruction	485,761	424,567	663,739	(239,172)
Student Support Services	-	-	-	-
General Administration	186,913	53,503	-	53,503
Operations and Maintenance	1,670	32,988	250,000	(217,012)
Transportation	82,595	109,705	250,000	(140,295)
Site Improvements	59,214	46,219	437,248	(391,029)
Building Improvements	<u>736,987</u>	<u>1,864,920</u>	<u>2,505,000</u>	<u>(640,080)</u>
Total Expenditures	<u>1,553,140</u>	<u>2,531,902</u>	<u>4,105,987</u>	<u>(1,574,085)</u>
Receipts Over (Under) Expenditures	(236,877)	(1,194,656)		<u>\$ 1,656,437</u>
Unencumbered Cash, July 1	<u>3,088,464</u>	<u>2,851,587</u>		
Unencumbered Cash, June 30	<u>\$ 2,851,587</u>	<u>\$ 1,656,931</u>		

Unified School District Number 214
 Ulysses, Kansas
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
State Aid	\$ 2,142	\$ 6,832	\$ 13,200	\$ (6,368)
Student Fees	5,878	-	-	-
Transfer In	<u>8,000</u>	<u>-</u>	<u>2,500</u>	<u>(2,500)</u>
Total Receipts	<u>16,020</u>	<u>6,832</u>	<u>\$ 15,700</u>	<u>\$ (8,868)</u>
Expenditures				
Instruction	<u>16,644</u>	<u>992</u>	<u>87,077</u>	<u>(86,085)</u>
Total Expenditures	<u>16,644</u>	<u>992</u>	<u>\$ 87,077</u>	<u>(86,085)</u>
Receipts Over (Under) Expenditures	(624)	5,840		<u>\$ 77,217</u>
Unencumbered Cash, July 1	<u>67,001</u>	<u>66,377</u>		
Unencumbered Cash, June 30	<u>\$ 66,377</u>	<u>\$ 72,217</u>		

Unified School District Number 214
 Ulysses, Kansas
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Federal Aid	\$ 1,034,142	\$ 1,215,189	\$ 972,550	\$ 242,639
State Aid	9,747	8,239	5,823	2,416
Charges for Services	24,630	5,958	-	5,958
Miscellaneous Revenue	7,546	11,535	15,765	(4,230)
Transfers In	33,000	-	15,000	(15,000)
	<u>1,109,065</u>	<u>1,240,921</u>	<u>\$ 1,009,138</u>	<u>\$ 231,783</u>
Total Receipts				
Expenditures				
Operations and Maintenance	1,527	30,590	6,500	24,090
Food Service Operation	1,096,975	1,025,422	1,246,286	(220,864)
	<u>1,098,502</u>	<u>1,056,012</u>	<u>\$ 1,252,786</u>	<u>(196,774)</u>
Total Expenditures				
Receipts Over (Under) Expenditures	10,563	184,909		<u>\$ 428,557</u>
Unencumbered Cash, July 1	<u>233,085</u>	<u>243,648</u>		
Unencumbered Cash, June 30	<u>\$ 243,648</u>	<u>\$ 428,557</u>		

Unified School District Number 214
 Ulysses, Kansas
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
State Aid	\$ 10,723	\$ -	\$ -	\$ -
Transfers In	40,572	-	40,000	(40,000)
Miscellaneous Revenue	404	-	-	-
	<u>51,699</u>	<u>-</u>	<u>\$ 40,000</u>	<u>\$ (40,000)</u>
Total Receipts				
Expenditures				
Instructional Support Staff	47,983	58,353	137,746	(79,393)
	<u>47,983</u>	<u>58,353</u>	<u>\$ 137,746</u>	<u>(79,393)</u>
Total Expenditures				
	<u>47,983</u>	<u>58,353</u>	<u>\$ 137,746</u>	<u>(79,393)</u>
Receipts Over (Under) Expenditures	3,716	(58,353)		<u>\$ 39,393</u>
Unencumbered Cash, July 1	94,030	97,746		
Unencumbered Cash, June 30	<u>\$ 97,746</u>	<u>\$ 39,393</u>		

Unified School District Number 214
 Ulysses, Kansas
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
General Fund Transfer of State Aid	\$ 935,112	\$ 911,431	\$ 993,497	\$ (82,066)
ESSER - CARES Act Revenue	16,542	25,758	-	25,758
Transfers In	600,000	400,000	400,000	-
Medicaid Reimbursement	<u>46,263</u>	<u>74,162</u>	<u>-</u>	<u>74,162</u>
Total Receipts	<u>1,597,917</u>	<u>1,411,351</u>	<u>\$ 1,393,497</u>	<u>\$ 17,854</u>
Expenditures				
Instruction	1,524,471	1,498,136	2,350,000	(851,864)
Vehicle Operating Services	8,435	9,105	28,999	(19,894)
Vehicle Service & Maintenance	<u>3,517</u>	<u>4,387</u>	<u>8,500</u>	<u>(4,113)</u>
Total Expenditures	<u>1,536,423</u>	<u>1,511,628</u>	<u>\$ 2,387,499</u>	<u>(875,871)</u>
Receipts Over (Under) Expenditures	61,494	(100,277)		<u>\$ 893,725</u>
Unencumbered Cash, July 1	<u>932,508</u>	<u>994,002</u>		
Unencumbered Cash, June 30	<u>\$ 994,002</u>	<u>\$ 893,725</u>		

Unified School District Number 214
 Ulysses, Kansas
Career and Post Secondary Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Transfers In	\$ 365,000	\$ 340,000	\$ 360,000	\$ (20,000)
Total Receipts	<u>365,000</u>	<u>340,000</u>	<u>\$ 360,000</u>	<u>\$ (20,000)</u>
Expenditures				
Instruction	358,249	343,771	544,793	(201,022)
Central Services	1,143	-	2,500	(2,500)
Operations and Maintenance	<u>5,752</u>	<u>1,479</u>	<u>14,000</u>	<u>(12,521)</u>
Total Expenditures	<u>365,144</u>	<u>345,250</u>	<u>\$ 561,293</u>	<u>(216,043)</u>
Receipts Over (Under) Expenditures	(144)	(5,250)		<u>\$ 196,043</u>
Unencumbered Cash, July 1	<u>201,438</u>	<u>201,294</u>		
Unencumbered Cash, June 30	<u>\$ 201,294</u>	<u>\$ 196,044</u>		

Unified School District Number 214
 Ulysses, Kansas
Contingency Reserve Fund
Schedule of Receipts and Expenditures
 Regulatory Basis

For the Year Ended June 30, 2022

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

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Transfers In	<u>\$ 50,000</u>	<u>\$ -</u>
Total Receipts	<u>50,000</u>	<u>-</u>
Expenditures		
Operations and Maintenance	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	50,000	-
Unencumbered Cash, July 1	<u>1,022,531</u>	<u>1,072,531</u>
Unencumbered Cash, June 30	<u><u>\$ 1,072,531</u></u>	<u><u>\$ 1,072,531</u></u>

Unified School District Number 214
 Ulysses, Kansas
Recreation Commission - General Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Ad Valorem Tax	\$ 761,563	\$ 730,489	\$ 710,393	\$ 20,096
Delinquent Tax	9,285	9,439	7,718	1,721
Motor Vehicle Tax	75,716	68,656	50,704	17,952
Recreational/Rental Vehicle Tax	1,458	1,275	977	298
Total Receipts	<u>848,022</u>	<u>809,859</u>	<u>\$ 769,792</u>	<u>\$ 40,067</u>
Expenditures				
Community Service Operations	<u>835,000</u>	<u>808,000</u>	<u>808,000</u>	<u>-</u>
Total Expenditures	<u>835,000</u>	<u>808,000</u>	<u>\$ 808,000</u>	<u>-</u>
Receipts Over (Under) Expenditures	13,022	1,859		<u>\$ 40,067</u>
Unencumbered Cash, July 1	<u>58,837</u>	<u>71,859</u>		
Unencumbered Cash, June 30	<u>\$ 71,859</u>	<u>\$ 73,718</u>		

Unified School District Number 214
 Ulysses, Kansas
Recreation Commission - Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Ad Valorem Tax	\$ 179,527	\$ 207,802	\$ 202,299	\$ 5,503
Delinquent Tax	2,611	2,492	1,814	678
Motor Vehicle Tax	21,450	18,384	13,876	4,508
Recreational Vehicle Tax/Excise Tax	412	354	268	86
Total Receipts	<u>204,000</u>	<u>229,032</u>	<u>\$ 218,257</u>	<u>\$ 10,775</u>
Expenditures				
Community Service Operations	<u>200,000</u>	<u>229,250</u>	<u>229,250</u>	<u>-</u>
Total Expenditures	<u>200,000</u>	<u>229,250</u>	<u>\$ 229,250</u>	<u>-</u>
Receipts Over (Under) Expenditures	4,000	(218)		<u>\$ 10,775</u>
Unencumbered Cash, July 1	<u>17,562</u>	<u>21,562</u>		
Unencumbered Cash, June 30	<u>\$ 21,562</u>	<u>\$ 21,344</u>		

Unified School District Number 214
 Ulysses, Kansas
Bond & Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2022
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		Variance Over (Under)
	Prior Year <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Receipts				
Taxes	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	<u>\$ -</u>	-
Receipts Over (Under) Expenditures	-	-		<u>\$ -</u>
Unencumbered Cash, July 1	<u>138,819</u>	<u>138,819</u>		
Unencumbered Cash, June 30	<u>\$ 138,819</u>	<u>\$ 138,819</u>		

Unified School District Number 214
 Ulysses, Kansas
Textbook Rental Fund
Schedule of Receipts and Expenditures
 Regulatory Basis

For the Year Ended June 30, 2022

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

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Textbook Rentals	\$ 33,763	\$ 41,838
Transfers In	<u>40,000</u>	<u>150,000</u>
Total Receipts	<u>73,763</u>	<u>191,838</u>
Expenditures		
Textbook Purchases	<u>58,503</u>	<u>224,180</u>
Total Expenditures	<u>58,503</u>	<u>224,180</u>
Receipts Over (Under) Expenditures	15,260	(32,342)
Unencumbered Cash, July 1	<u>413,172</u>	<u>428,432</u>
Unencumbered Cash, June 30	<u><u>\$ 428,432</u></u>	<u><u>\$ 396,090</u></u>

Unified School District Number 214
 Ulysses, Kansas
Health Care Fund
Schedule of Receipts and Expenditures
 Regulatory Basis

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

	<u>Prior Year</u>	<u>Current Year</u>
Receipts		
Health Care Premiums	<u>\$ 1,448,092</u>	<u>\$ 1,525,449</u>
Total Receipts	<u>1,448,092</u>	<u>1,525,449</u>
Expenditures		
Insurance Premiums	<u>1,537,587</u>	<u>1,520,976</u>
Total Expenditures	<u>1,537,587</u>	<u>1,520,976</u>
Receipts Over (Under) Expenditures	(89,495)	4,473
Unencumbered Cash, July 1	<u>1,612,388</u>	<u>1,522,893</u>
Unencumbered Cash, June 30	<u><u>\$ 1,522,893</u></u>	<u><u>\$ 1,527,366</u></u>

Unified School District Number 214
Ulysses, Kansas
State, Federal and Other Grant Funds
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

	Gifts and <u>Grants</u>	KMS GCCF <u>Grant</u>	Youth Civic Engagement <u>Grant</u>	Drive 4 UR School	Tigers in Action	ESSER	2017 Sullivan Focus School	Teacher Recruitment
Receipts								
Federal Grants	\$ -	\$ -	\$ 1,298	\$ -	\$ -	\$ 395,682	\$ -	\$ -
Other Agencies/Misc.	-	5,128	2	-	-	-	-	-
Total Receipts	-	5,128	1,300	-	-	395,682	-	-
Expenditures								
Instruction	-	-	-	700	-	793,487	-	244
Student Support Services	-	605	-	-	1,239	47,720	5,584	-
Instructional Support Staff	-	1,427	-	-	-	3,230	-	-
General Administration	-	-	-	-	-	61,431	-	-
School Administration	-	-	-	-	-	14,533	-	-
Central Office	-	-	-	-	-	4,844	-	-
Operations and Maintenance	-	-	-	-	-	27,971	-	-
Vehicle Services	-	-	-	-	-	7,266	-	-
Food Service	-	-	-	-	-	14,399	-	-
Total Expenditures	-	2,032	-	700	1,239	974,881	5,584	244
Receipts Over (Under) Exp.	-	3,096	1,300	(700)	(1,239)	(579,199)	(5,584)	(244)
Unencumbered Cash, July 1	224	-	(1,300)	7,572	1,239	(24,269)	5,584	3,870
Unencumbered Cash, June 30	<u>\$ 224</u>	<u>\$3,096</u>	<u>\$ -</u>	<u>\$ 6,872</u>	<u>\$ -</u>	<u>\$(603,468)</u>	<u>\$ -</u>	<u>\$ 3,626</u>

Unified School District Number 214
Ulysses, Kansas
State, Federal and Other Grant Funds
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

<u>SWKLinks Grant</u>	<u>Title I Low Income</u>	<u>Title I Migrant</u>	<u>Supporting Effective Instruction</u>	<u>English Language Acquisition</u>	<u>KDHE COVID Testing Grant</u>	<u>ESSA</u>	<u>21st Century AfterSch</u>	<u>Totals</u>
\$ -	\$ 346,113	\$78,400	\$ 61,868	\$ 38,992	\$21,045	\$25,436	\$91,275	\$1,060,109
-	-	-	-	-	-	-	-	5,130
-	346,113	78,400	61,868	38,992	21,045	25,436	91,275	1,065,239
41,560	338,690	46,406	59,487	44,822	-	-	81,600	1,406,996
-	14,772	31,893	-	-	21,067	-	-	122,880
-	-	-	-	-	-	25,436	-	30,093
-	-	101	-	-	-	-	-	61,532
-	-	-	-	-	-	-	-	14,533
-	-	-	-	-	-	-	-	4,844
-	-	-	-	-	-	-	-	27,971
-	-	-	-	-	-	-	-	7,266
-	-	-	-	-	-	-	-	14,399
41,560	353,462	78,400	59,487	44,822	21,067	25,436	81,600	1,690,514
(41,560)	(7,349)	-	2,381	(5,830)	(22)	-	9,675	(625,275)
41,560	522	-	(675)	2,652	-	-	(4,498)	32,481
\$ -	\$ (6,827)	\$ -	\$ 1,706	\$ (3,178)	\$ (22)	\$ -	\$ 5,177	\$ (592,794)

Unified School District Number 214
Ulysses, Kansas
District Activity Funds
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts</u>						
High School	\$ 4,124	\$ 58,461	\$ 60,811	\$ 1,774	\$ -	\$ 1,774
Kepley	3,311	24,818	27,815	314	-	314
Total Gate Receipts	<u>7,435</u>	<u>83,279</u>	<u>88,626</u>	<u>2,088</u>	<u>-</u>	<u>2,088</u>
<u>School Projects</u>						
High School						
Concessions	8,557	19,676	18,089	10,144	-	10,144
Other Revenue	2,346	85,370	85,603	2,113	-	2,113
Special Band and Choirs	3,005	701	1,325	2,381	-	2,381
Student Collections	137	-	-	137	-	137
Yearbook	3,959	8,426	7,520	4,865	-	4,865
Subtotal High School	<u>18,004</u>	<u>114,173</u>	<u>112,537</u>	<u>19,640</u>	<u>-</u>	<u>19,640</u>
USD No. 214						
Other Revenues	19,921	29,256	29,961	19,216	-	19,216
Book Fair	6,278	7,785	11,738	2,325	2,655	4,980
T-shirts and Yearbook	34,601	3,413	10,849	27,165	-	27,165
Subtotal USD No. 214	<u>60,800</u>	<u>40,454</u>	<u>52,548</u>	<u>48,706</u>	<u>2,655</u>	<u>51,361</u>
Kepley School						
Student Activity	3,021	20,646	20,869	2,798	-	2,798
Kepley Educator	278	687	334	631	-	631
Subtotal Kepley School	<u>3,299</u>	<u>21,333</u>	<u>21,203</u>	<u>3,429</u>	<u>-</u>	<u>3,429</u>
Total School Projects	<u>82,103</u>	<u>175,960</u>	<u>186,288</u>	<u>71,775</u>	<u>2,655</u>	<u>74,430</u>
Total District Activity Funds	<u>\$ 89,538</u>	<u>\$ 259,239</u>	<u>\$ 274,914</u>	<u>\$ 73,863</u>	<u>\$ 2,655</u>	<u>\$ 76,518</u>

Unified School District Number 214
Ulysses, Kansas
Student Organization Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

	<u>Beginning</u> <u>Cash Balance</u>	<u>Receipts</u>	<u>Disbursement</u>	<u>Ending</u> <u>Cash Balance</u>
High School				
Cheerleaders	\$ 3,013	\$ 5,471	\$ 5,860	\$ 2,624
Class of 2020	544	-	-	544
Class of 2021	5,972	-	1,830	4,142
Class of 2022	1,615	251	-	1,866
Class of 2023	25	10,319	8,539	1,805
Class of 2026	-	803	87	716
Entrepreneurship	386	-	-	386
FAMCONSSC	-	875	875	-
FBLA	21,033	48,290	46,766	22,557
FCA	4,893	-	-	4,893
FFA	12,290	4,857	9,953	7,194
FHAFCCLA	812	406	974	244
Forensics	145	11	115	41
Halo	4,589	295	64	4,820
IAC	6,472	-	447	6,025
Interact	7,859	512	2,530	5,841
LEO Club	23	-	-	23
Miscellaneous	-	1,552	1,552	-
Musical	4,468	3,452	2,517	5,403
NFL	169	-	-	169
NHS	7,351	10,395	10,490	7,256
Odyssey of the Mind	4,887	9,064	9,512	4,439
PBS	1,248	150	1,020	378
SADD	5,151	5,442	4,175	6,418
Safe	593	387	148	832
Stuco	1,765	1,911	2,420	1,256
Technology	-	2,162	2,162	-
Tiger Robotics	2,750	-	351	2,399
U-Club	10,267	20,125	15,457	14,935
Subtotal High School	<u>108,320</u>	<u>126,730</u>	<u>127,844</u>	<u>107,206</u>
Kepley School				
Ambassadors	5,513	-	5,513	-
Band	-	234	234	-
Crime Stoppers	185	-	-	185
Stuco	166	-	-	166
Yearbook	5,103	1,324	1,133	5,294
8th Grade Class	-	1,823	1,823	-
Student Leadership	2,180	785	1,580	1,385
Subtotal Kepley School	<u>13,147</u>	<u>4,166</u>	<u>10,283</u>	<u>7,030</u>
Total Student Organization Funds	<u>\$ 121,467</u>	<u>\$ 130,896</u>	<u>\$ 138,127</u>	<u>\$ 114,236</u>

Unified School District Number 214
 Ulysses, Kansas
District Clearing Funds
Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended June 30, 2022

	Beginning <u>Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending <u>Cash Balance</u>
High School Sales Tax	\$ 6,101	\$ 6,444	\$ 6,155	\$ 6,390
Kepley School Sales Tax	-	9	-	9
USD No. 214 Sales Tax	62	1,044	1,003	103
	<u>\$ 6,163</u>	<u>\$ 7,497</u>	<u>\$ 7,158</u>	<u>\$ 6,502</u>

Unified School District Number 214

Ulysses, Kansas

SINGLE AUDIT SECTION

For the Year Ended June 30, 2022



Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

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*

Superintendent and Board of Education
Unified School District Number 214
Ulysses, Kansas 67880

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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Unified School District Number 214, as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise Unified School District Number 214's basic financial statement and have issued our report thereon dated December 1, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District Number 214's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District Number 214's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District Number 214's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

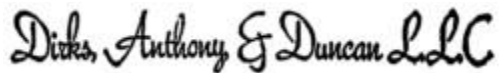
As part of obtaining reasonable assurance about whether Unified School District Number 214's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002.

Unified School District Number 214's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Unified School District Number 214's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Unified School District Number 214's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dirks, Anthony & Duncan LLC". The script is cursive and fluid.

Dirks, Anthony & Duncan, LLC
Certified Public Accountants

December 1, 2022



Dirks, Anthony & Duncan, LLC

Certified Public Accountants & Management Consultants

104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

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

Superintendent and Board of Education
Unified School District Number 214
Ulysses, Kansas 67880

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Unified School District Number 214's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unified School District Number 214's major federal programs for the year ended June 30, 2022. Unified School District Number 214's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Education Stabilization Fund

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Unified School District Number 214 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Education Stabilization Fund for the year ended June 30, 2022.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Unified School District Number 214 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2022.

Basis for Qualified and Unmodified Opinions

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

We are required to be independent of Unified School District Number 214 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 Unified School District Number 214's compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Elementary and Secondary School Emergency Relief Fund II

As described in the accompanying schedule of findings and questioned costs, Unified School District Number 214 did not comply with requirements regarding Assistance Listing No. 84.425D Education Stabilization Fund as

described in finding number 2022-001 for Procurement, Suspension and Debarment and 2022-002 for Equipment/Real Property Management.

Compliance with such requirements is necessary, in our opinion, for Unified School District Number 214 to comply with the requirements applicable to that program.

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 Unified School District Number 214'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 Unified School District Number 214'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 Unified School District Number 214'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 Unified School District Number 214'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 Unified School District Number 214'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 Unified School District Number 214's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District Number 214's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District Number 214's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

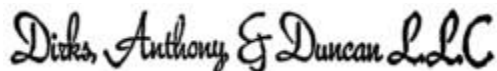
However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District Number 214's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Unified School District Number 214's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Dirks, Anthony & Duncan, LLC
Certified Public Accountants

December 1, 2022

Unified School District Number 214
Ulysses, Kansas
Schedule of Expenditures of Federal Awards
Regulatory Basis
For the Year Ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Numbers</u>	<u>Pass Through Identifying Number</u>	<u>Federal Award Expenditures</u>
U.S. Department of Agriculture			
Passed Through State of Kansas Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	D0214	\$ 243,277
National School Lunch Program	10.555	D0214	644,669
SFS - CFC	10.559	D0214	141,720
COVID-19	10.649	D0214	614
Total Child Nutrition Cluster			<u>1,030,280</u>
Total U.S. Department of Agriculture			<u>1,030,280</u>
U.S. Department of Education			
Passed Through State of Kansas Department of Education			
Title I Low Income	84.010A	D0214	353,462
Title I Migrant	84.011A	D0214	78,400
Title IV 21st Century Community Learning Center	84.287C	D0214	81,600
English Language Acquisition	84.365A	D0214	44,822
Supporting Effective Instruction	84.367A	D0214	59,547
ESSA	84.424A	D0214	25,436
COVID-19 - Education Stabilization Fund	84.425D	D0214	1,000,639
Total U.S. Department of Education			<u>1,643,906</u>
U.S. Department of Health and Human Services			
Passed Through State of Kansas Department of Education			
COVID-19 - KDHE K-12 COVID Testing Grant	93.323	D0214	<u>21,067</u>
Total U.S. Department of Health and Human Services			<u>21,067</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,695,253</u></u>

Unified School District Number 214
Ulysses, Kansas
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 214, Ulysses, Kansas (the District) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a select portion of the operations of District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1) Expenditures reported in the Schedule of Expenditures of Federal Awards (SEFA) are reported using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash and budget laws of the State of Kansas, the same as the financial statement accompanying this schedule.
- 2) Unified School District Number 214 did not use the standard indirect cost rate of 10%.

NOTE 3 – FUNDS EXPENDED

Funds where federal expenditures were receipted and expended:

Food Service Fund	\$ 1,030,280
General Fund	60
Special Education Fund	25,758
<u>From State, Federal and Other Grant Funds:</u>	
ESSER	974,881
Title I Low Income	353,462
Title I Migrant	78,400
Supporting Effective Instruction	59,487
English Language Acquisition	44,822
KDHE Covid Testing Grant	21,067
ESSA	25,436
21 st Century After School	81,600
	<u>\$ 2,695,253</u>

Unified School District Number 214
 Ulysses, Kansas
Schedule of Finding & Questioned Costs
 For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENT

The auditor's report expresses an **adverse opinion** on the financial statement of Unified School District Number 214 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an **unmodified opinion** on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control Over Financial Reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported
- Noncompliance or other matters required to be reported under *Government Auditing Standards*? _____ Yes X No

FEDERAL AWARDS

Internal Control Over Financial Reporting:

- Material weaknesses identified? _____ Yes X No
- Significant deficiency(ies) identified? X Yes _____ None Reported

Type of auditor's report issued on compliance for major programs:

Title I Migrant	_____ <u>Unmodified</u>
Education Stabilization Fund	_____ <u>Qualified</u>

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ X Yes _____ No

Identification of Major Programs/Cluster:

	<u>Assistance Listing Number:</u>
Title I Migrant	84.011A
Education Stabilization Fund	84.425D

Dollar threshold to distinguish between Type A and Type B Programs:

_____ \$750,000

Auditee qualifies as a low-risk auditee?

_____ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no reportable findings.

Unified School District Number 214
Ulysses, Kansas
Schedule of Expenditures of Federal Awards
Regulatory Basis
For the Year Ended June 30, 2022

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION

Title I Migrant - Assistance Listing Number 84.011A

There were no reportable findings.

U.S. DEPARTMENT OF EDUCATION

Education Stabilization Fund - Assistance Listing Number 84.425D

FINDING 2022-001

SIGNIFICANT DEFICIENCY and MATERIAL NONCOMPLIANCE

Suspension and Debarment

Condition: District did not verify that an entity with which it planned to enter into a covered transaction was not debarred, suspended or otherwise excluded as required by board policy and federal guidelines. (2 CFR sections 200.212 and 200.318(h); 2 CFR section 180.300; 48 CFR section 52.209-6)

Criteria: Recommended Procedures

Cause: During the course of the audit, we determined there exists a high reliance upon key positions of management to operate the procurement process without sufficient third-party review or involvement.

Effect: The District entered into a covered transaction with Central Consolidated, Inc. without verifying they were not debarred, suspended or otherwise excluded.

Recommendations: The Board of Directors, the Director and key positions of management should re-assess the current board policy and potentially add encompassing compensating controls. The Board should then periodically check that all procedures agreed upon are operational and effective, and adjust procedures as needed.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding. See separate document for planned corrective actions.

FINDING 2022-002

SIGNIFICANT DEFICIENCY and MATERIAL NONCOMPLIANCE

Equipment/Real Property Management

Condition: Equipment and property purchased were not subject to inventory management as required by federal guidelines. (2 CFR sections 200.313(c) through (e))

Criteria: Recommended Procedures

Cause: During the course of the audit, we determined there lacked an internal control system and inventory management for items not related to technology.

Effect: The HVAC repairs were not subject to applicable inventory control, log maintenance, and disposition requirements.

Recommendations: The Board of Directors, the Director and key positions of management should adequately document internal control procedures for equipment inventory, log maintenance, and dispositions requirements consistent with 2 CFR sections 200.313(c) through (e). Board should then periodically check that all procedures agreed upon are operational and effective, and adjust procedures as needed.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding. See separate document for planned corrective actions.

ULYSSES USD214

111 S. Baughman
Ulysses, KS 67880

CORRECTIVE ACTION PLAN

November 18, 2022

Kansas State Department of Education and Kansas State Department of Administration

Unified School District Number 214 respectfully submits the following corrective action plan for the year ended June 30, 2022.

Dirks, Anthony & Duncan, LLC
Po Box 885
Ulysses, KS 67880

Audit Period: June 30, 2022

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT

U.S. Department of Education

Passed Through Kansas State Department of Education
Program Name: Education Stabilization Fund
Assistance Listing Numbers: 84.425D

Finding 2022-001 – Suspension and Debarment

Recommendations: The Board of Directors, the Director and key positions of management should re-assess the current board policy and potentially add encompassing compensating controls. The Board should then periodically check that all procedures agreed upon are operational and effective, and adjust procedures as needed.

Action Taken: We agree with the recommendation and are set to re-address the board policy with board members, Business Director, Federal Funds Director, and Superintendent. Our targeted implementation date is March 2022.

Finding 2022-002 – Equipment/Real Property Management

Recommendations: The Board of Directors, the Director and key positions of management should re-assess the current board policy and potentially add encompassing compensating controls. The Board should then periodically check that all procedures agreed upon are operational and effective, and adjust procedures as needed.

Action Taken: We agree with the recommendation and will obtain guidance by State of Kansas Department of Education for a board policy to be reviewed by board members, Business Director, Federal Funds Director, and Superintendent. We will also develop an inventory tracking system maintained by the technology and maintenance department.

If the Kansas State Department of Education and/or Kansas State Department of Administration has questions regarding this plan, please call Corey Bruton at 620-356-3655.

Sincerely yours,



Corey Burton
Superintendent

Corey Burton, Superintendent
Phone 620-356-3655 Fax 620-356-5181