UNIFIED SCHOOL DISTRICT NO. 372

Silver Lake, Kansas

Financial Statements

For the Year Ended June 30, 2022

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UNIFIED SCHOOL DISTRICT NO. 372
Financial Statements
For the Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 372
Silver Lake, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 372, Silver Lake, Kansas (the District), as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of receipts and disbursements-agency funds and the schedule of regulatory basis receipts and expenditures-related municipal entity (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*. 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* (CFR) *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 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.

Other Reporting Required by Government Auditing Standards

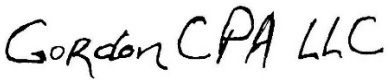
In accordance with *Government Auditing Standards,* we have also issued our report dated May 10, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2021 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2022 (Schedule 2 as listed in the table of contents), is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The District's basic financial statement for the year ended June 30, 2021 (not presented herein), was audited by other auditors whose report dated November 22, 2021, expressed an unmodified opinion on the basic financial statement. The 2021 basic financial statement and the other auditor's report are available in electronic form from the website of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/chief financial-officer/municipal-services. The report of the other auditors dated November 22, 2021, stated that the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2021, were subjected to auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information 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, and in their opinion, was 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.



Certified Public Accountant
Lawrence, Kansas

May 10, 2023

UNIFIED SCHOOL DISTRICT NO. 372
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 5,583,815	$ 5,583,815	$ -	$ 216,614	$ 216,614
Supplemental General	55,539	-	1,698,163	1,703,793	49,909	11,252	61,161
Special Purpose Funds:							
Career & Postsecondary Education	90,665	-	73,634	99,935	64,364	2,735	67,099
Special Education	578,038	-	1,075,501	1,039,188	614,351	29,091	643,442
Driver Training	55,735	-	11,926	10,757	56,904	-	56,904
Food Service	35,127	-	485,318	395,206	125,239	615	125,854
Capital Outlay	1,171,012	-	2,227,931	2,181,501	1,217,442	16,218	1,233,660
Professional Development	56,297	-	32,985	18,836	70,446	-	70,446
Gifts and Grants	188,885	-	275,205	93,322	370,768	3,480	374,248
KPERS Special Retirement Contribution	-	-	759,370	759,370	-	-	-
At Risk (K-12)	80,001	-	206,150	206,617	79,534	7,177	86,711
At Risk (4 Year Old)	6,031	-	2,391	2,391	6,031	136	6,167
Virtual Education	8,000	-	3,329	3,329	8,000	-	8,000
Textbook Rental	164,957	-	54,466	31,842	187,581	-	187,581
Contingency Reserve	554,270	-	40,000	-	594,270	-	594,270
Federal Funds	[202,878]	-	563,614	360,736	-	5,554	5,554
District Activity Funds	85,668	-	274,154	234,274	125,548	4,326	129,874
Bond and Interest Funds:							
Bond and Interest	1,493,185	-	972,596	713,975	1,751,806	-	1,751,806
Capital Project Funds:							
Capital Projects	941	-	4	-	945	-	945
Total Reporting Agency (excluding Agency Funds)	$ 4,421,473	$ -	$ 14,340,552	$ 13,438,887	$ 5,323,138	$ 297,198	$ 5,620,336

Composition of Cash:

Silver Lake Bank	
Checking	$ [51,054]
Money market	5,696,356
Stockgrowers State Bank	
Checking	25,042
Subtotal	5,670,344
Agency Funds per Schedule 3	[50,008]
Total Reporting Entity	$ 5,620,336

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

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 372 Silver Lake (the District) is a municipal corporation governed by an elected seven-member board. The District as an entity has been defined to include, on a combined basis, (a) the District (b) organizations for which the District is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting District's financial statement to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Fund Descriptions

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

The following types of funds comprise the financial activities of the District:

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

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

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

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

Agency Fund - funds used to report assets held by the District in a purely custodial capacity (payroll clearing fund, student organization fund, etc.)

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

The *Kansas Municipal Auditing and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, and 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 for accounting.

Expenditures in the amount of $100,155 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and serviced in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Reimbursed Expenses

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

Budgetary Information

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

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

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 was not required to hold a revenue neutral rate hearing for this year.

The statues allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other 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 the publication the hearing may be held and the governing body may amend the budget at that time.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized which 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 agency funds, capital project funds, and the following special purpose funds: Textbook Rental, Contingency Reserve and District Activity.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statues, 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 statue 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.

NOTE 2 - Deposits and Investments (Continued)

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

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. K.S.A. 9-1402 and K.S.A. 9-1405 require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured as of June 30, 2022. The District has no designated "peak periods."

As of June 30, 2022, the carrying amount of the District's cash was $5,670,343 and the bank balance was $5,773,940. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $275,042 was secured by federal depository insurance and the remaining $5,498,898 was collateralized with securities held by the pledging financial institutions' 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.

NOTE 3 - Defined Benefit Pension Plan

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

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

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

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

NOTE 3 - Defined Benefit Pension Plan (Continued)

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $759,370 for the year ended June 30, 2022.

Net Pension Liability. As of June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was $5,721,731. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 - Risk Management

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

NOTE 5 - Compensated Absences

All professional employees shall be allowed (12) days of leave per school year, with the June payroll, the Board of Education will buy down professional employees unused leave in excess of thirty (30) days at $100 per day. Upon retirement or resignation, contingent upon meeting contractual obligations and tenured teachers will receive payment for all unused leave at employee's daily rate of pay. Upon death of the professional employee, the KPERS beneficiary will receive payment for all unused leave at the employee's daily rate of pay.

Each classified employee shall be granted 1 day of leave per month worked, plus two additional days (formerly personal leave). Leave days for the employment year shall be granted at the commencement of employment or on July 1 thereafter. Leave shall be accumulated to a maximum of four (4) times the annual leave and shall be prorated to the number of hours worked daily. (Example: a nine-month employee authorized to work six hours per day will be granted nine (9) six (6) hour days of leave accumulative to a maximum of 36 days). Leave is defined as temporary leave with full pay for any reason determined by the individual classified employee. New employees will not be granted leave until after 90 days of employment with the District. Classified employees may use leave to gain compensation for non-duty days that occur during the term of employment. Non-duty days (for all except operations and maintenance personnel) are days that school is not in session because of inclement weather, funerals, or student vacations. Classified personnel will be reimbursed for leave in excess of the maximum allowed at the rate of one half their hourly rate of employment. This payment will be made with the July payroll.

NOTE 6 - Interfund Transactions

Operating transfers during the year ended June 30, 2022 were as follows:

From	To	Regulatory Authority	Amount
General	Contingency Reserve	K.S.A. 72-6478	$ 40,000
General	Capital Outlay	K.S.A. 72-6478	115,000
General	Special Education	K.S.A. 72-6478	608,127
General	Career and Post Secondary	K.S.A. 72-6479	70,487
General	At Risk (K-12)	K.S.A. 72-6480	155,607
General	Professional Development	K.S.A. 72-6481	10,000
Supplemental General	Virtual Education	K.S.A. 72-6478	3,329
Supplemental General	Special Education	K.S.A. 72-6478	418,908
Supplemental General	At Risk (4 yr old)	K.S.A. 72-6478	2,391
Supplemental General	At Risk (K-12)	K.S.A. 72-6478	50,543
Supplemental General	Professional Development	K.S.A. 72-6478	22,985
Title IV-A	Title I	K.S.A. 72-6478	12,160
Total			$ 1,509,537

NOTE 7 - Contingency

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

NOTE 8 - In-Substance Receipt in Transit

The District received $225,915 in General State Aid and $68,425 in Supplemental State Aid subsequent to June 30, 2022 and as required by K.S.A. 72-6466, the receipts were recorded as in-substance receipts in transit and included as receipts for the year ended June 30, 2022.

NOTE 9 - Long-Term Debt

The following table summarizes the changes in long-term debt for the year ended June 30, 2022:

Type of Issue	Principal Outstanding June 30, 2021	Additions to Principal	Reductions of Principal	Principal Outstanding June 30, 2022	Interest Paid
General Obligation Bonds	$ 4,920,000	$ -	$ 575,000	$ 4,345,000	$ 138,975
Finance Leases	778,233	1,550,000	96,430	2,231,803	7,356
Total	$ 5,698,233	$ 1,550,000	$ 671,430	$ 6,576,803	$ 146,331

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2022:

NOTE 9 - Long-Term Debt (Continued)

Debt Issue	Date Issued	Interest Rate	Maturity Date	Original Amount	Outstanding Amount
Series 2015 GO Refunding Bonds	10/1/2015	2.00 to 3.00%	10/1/2027	$ 6,480,000	$ 4,345,000

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending June 30,	Principal Due	Interest Due	Total Due
2023	$ 615,000	$ 121,125	$ 736,125
2024	650,000	102,150	752,150
2025	700,000	81,900	781,900
2026	745,000	60,225	805,225
2027	790,000	37,200	827,200
2028	845,000	12,675	857,675
	$ 4,345,000	$ 415,275	$ 4,760,275

Finance Leases. The following table details the District's outstanding general obligation bonds as of June 30, 2022:

Debt Issue	Date Issued	Interest Rate	Maturity Date	Original Amount	Outstanding Amount
Field Turf System	3/15/2021	1.59%	10/15/2028	$ 778,233	$ 681,803
District Office Improvements	3/1/2022	1.05 to 2.00%	9/1/2031	1,550,000	1,550,000
Total				$ 2,328,233	$ 2,231,803

On March 1, 2022, the District signed a finance lease agreement in the amount of $1,550,000. Proceeds will be used to renovate the Paul H. Snavely Education Center. The lease agreement carries an interest rate of 1.05% to 2.00% and calls for semi-annual payments. The lease is scheduled to mature on September 1, 2031.

The annual debt service requirements to maturity for the finance leases are as follows:

Year Ending June 30,	Principal Due	Interest Due	Total Due
2023	$ 247,794	$ 34,655	$ 282,449
2024	234,290	31,505	265,795
2025	240,788	28,225	269,013
2026	247,354	24,666	272,020
2027	248,924	20,922	269,845
2028 - 2032	1,012,653	51,825	1,064,478
	$ 2,231,803	$ 191,798	$ 2,423,601

NOTE 10 - Statutory Violation

Actual exceeded budgetary expenditures in the Food Service and Bond and Interest funds, which is a violation of K.S.A. 79-2935.

UNIFIED SCHOOL DISTRICT NO. 372
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over [Under]
General Funds:						
General	$ 5,605,393	$ [121,733]	$ 100,155	$ 5,583,815	$ 5,583,815	$ -
Supplemental General	1,732,825	[29,032]	-	1,703,793	1,703,793	-
Special Purpose Funds:						
Career & Postsecondary Education	216,674	-	-	216,674	99,935	[116,739]
Special Education	1,386,209	-	-	1,386,209	1,039,188	[347,021]
Driver Training	72,635	-	-	72,635	10,757	[61,878]
Food Service	341,319	-	-	341,319	395,206	53,887
Capital Outlay	1,743,758	-	1,550,000	3,293,758	2,181,501	[1,112,257]
Professional Development	66,297	-	-	66,297	18,836	[47,461]
Gifts and Grants	447,965	-	-	447,965	93,322	[354,643]
KPERS Special Retirement Contribution	872,240	-	-	872,240	759,370	[112,870]
At Risk (K-12)	319,652	-	-	319,652	206,617	[113,035]
At Risk (4 Year Old)	6,031	-	-	6,031	2,391	[3,640]
Virtual Education	26,900	-	-	26,900	3,329	[23,571]
Federal Grants Funds	483,124	-	-	483,124	360,736	[122,388]
Bond and Interest	690,625	-	-	690,625	713,975	23,350

UNIFIED SCHOOL DISTRICT NO. 372
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Local sources	$ 74,941	$ 95,798	$ -	$ 95,798
State aid	5,375,216	5,483,660	5,605,393	[121,733]
Reimbursements	4,631	4,357	-	4,357
Total Receipts	5,454,788	5,583,815	$ 5,605,393	$ [21,578]
Expenditures				
Instruction	3,213,452	3,332,479	$ 3,462,982	$ [130,503]
Student support services	129,270	146,315	139,500	6,815
Instructional support staff	256,667	250,900	297,500	[46,600]
General administration	308,568	261,860	308,595	[46,735]
School administration	412,228	459,615	461,100	[1,485]
Operations and maintenance	447	2,145	775	1,370
Transportation services	148,832	131,280	117,033	14,247
Operating transfers	985,324	999,221	817,908	181,313
Adjustment to comply with legal max	-	-	[121,733]	121,733
Adjustment for qualifying budget credits	-	-	100,155	[100,155]
Total Expenditures	5,454,788	5,583,815	$ 5,583,815	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 372
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and shared revenue:				
Ad valorem property tax	$ 546,630	$ 555,274	$ 562,481	$ [7,207]
Delinquent tax	8,114	5,848	2,747	3,101
Motor vehicle tax	87,809	71,759	73,557	[1,798]
Recreational vehicle tax	1,636	1,415	1,294	121
Commercial vehicle tax	-	-	1,186	[1,186]
Local sources	357	12,627	-	12,627
State aid/grants	1,017,883	1,051,240	1,069,153	[17,913]
Total Receipts	1,662,429	1,698,163	$ 1,710,418	$ [12,255]
Expenditures				
Instruction	304,613	248,437	$ 264,000	$ [15,563]
Support Services	9,726	13,386	12,000	1,386
Instructional support staff	19,167	-	25,100	[25,100]
General administration	13,494	75,789	10,000	65,789
School administration	86,052	43,150	101,500	[58,350]
Operations and maintenance	650,246	673,922	718,500	[44,578]
Student transportation services	125,663	150,953	349,195	[198,242]
Central support services	50,752	-	65,000	[65,000]
Operating transfers	364,741	498,156	187,530	310,626
Adjustment to comply with KSDE legal max	-	-	[29,032]	29,032
Total Expenditures	1,624,454	1,703,793	$ 1,703,793	$ -
Receipts Over [Under] Expenditures	37,975	[5,630]		
Unencumbered Cash, Beginning	17,564	55,539		
Unencumbered Cash, Ending	$ 55,539	$ 49,909		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 372
Career & Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Federal grants	$ -	$ -	$ 4,209	$ [4,209]
Miscellaneous	-	3,147	1,800	1,347
Operating transfers	120,631	70,487	120,000	[49,513]
Total Receipts	120,631	73,634	$ 126,009	$ [52,375]
Expenditures				
Instruction	120,631	99,935	$ 216,674	$ [116,739]
Total Expenditures	120,631	99,935	$ 216,674	$ [116,739]
Receipts Over [Under] Expenditures	-	[26,301]		
Unencumbered Cash, Beginning	90,665	90,665		
Unencumbered Cash, Ending	$ 90,665	$ 64,364		

UNIFIED SCHOOL DISTRICT NO. 372
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal grants	$ 38,874	$ 48,466	$ 191,287	$ [142,821]
Operating transfers	903,590	1,027,035	616,886	410,149
Total Receipts	942,464	1,075,501	$ 808,173	$ 267,328
Expenditures				
Instruction	550,479	691,887	$ 826,821	$ [134,934]
Student support staff	236,882	194,926	409,100	[214,174]
Instructional support staff	10,244	16,625	-	16,625
General administration	-	89,387	-	89,387
School administration	92,600	-	105,038	[105,038]
Operations and maintenance	24,962	28,240	32,000	[3,760]
Student transportation services	2,246	18,123	13,250	4,873
Total Expenditures	917,413	1,039,188	$ 1,386,209	$ [347,021]
Receipts Over [Under] Expenditures	25,051	36,313		
Unencumbered Cash, Beginning	552,987	578,038		
Unencumbered Cash, Ending	$ 578,038	$ 614,351		

UNIFIED SCHOOL DISTRICT NO. 372
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Local sources	$ 7,560	$ 5,460	$ 9,100	$ [3,640]
State aid/grants	4,998	6,466	7,800	[1,334]
Total Receipts	12,558	11,926	$ 16,900	$ [4,974]
Expenditures				
Instruction	7,022	9,622	$ 7,500	$ 2,122
Operations and maintenance	945	1,135	65,135	[64,000]
Total Expenditures	7,967	10,757	$ 72,635	$ [61,878]
Receipts Over [Under] Expenditures	4,591	1,169		
Unencumbered Cash, Beginning	51,144	55,735		
Unencumbered Cash, Ending	$ 55,735	$ 56,904		

UNIFIED SCHOOL DISTRICT NO. 372
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Charges for services	$ 43,210	$ 28,505	$ 13,000	$ 15,505
Federal grants	236,130	442,180	290,772	151,408
State aid/grants	3,945	3,588	2,420	1,168
Interest income	1	-	-	-
Miscellaneous	-	11,045	-	11,045
Total Receipts	283,286	485,318	$ 306,192	$ 179,126
Expenditures				
Instruction	[6,643]	-	$ -	$ -
Operations and maintenance	18,389	19,128	34,079	[14,951]
School administration	1,022	650	-	650
Food service operation	297,391	375,428	307,240	68,188
Total Expenditures	310,159	395,206	$ 341,319	$ 53,887
Receipts Over [Under] Expenditures	[26,873]	90,112		
Unencumbered Cash, Beginning	62,000	35,127		
Unencumbered Cash, Ending	$ 35,127	$ 125,239		

UNIFIED SCHOOL DISTRICT NO. 372
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	$ 301,516	$ 311,903	$ 300,237	$ 11,666
Delinquent tax	4,094	3,166	1,513	1,653
Motor vehicle tax	46,559	42,955	43,926	[971]
Recreational vehicle tax	872	850	773	77
Commercial vehicle tax	-	-	708	[708]
Local sources	787,393	1,557,560	7,000	1,550,560
State aid/grants	169,412	178,589	178,589	-
Interest income	3,116	17,908	40,000	[22,092]
Operating transfers	44,281	115,000	-	115,000
Total Receipts	1,357,243	2,227,931	$ 572,746	$ 1,655,185
Expenditures				
Instruction	19,286	47,817	$ 240,000	$ [192,183]
Student support services	-	-	90,000	[90,000]
Operations and maintenance	27,043	183,288	381,803	[198,515]
Student transportation services	52,938	48,338	289,000	[240,662]
General administration	2,000	50,933	-	50,933
Central support services	2,143	-	50,000	[50,000]
Facility acquisition & construction services	1,058,255	1,851,125	692,955	1,158,170
Adjustment for qualifying budget credits	-	-	1,550,000	[1,550,000]
Total Expenditures	1,161,665	2,181,501	$ 3,293,758	$ [1,112,257]
Receipts Over [Under] Expenditures	195,578	46,430		
Unencumbered Cash, Beginning	975,434	1,171,012		
Unencumbered Cash, Ending	$ 1,171,012	$ 1,217,442		

UNIFIED SCHOOL DISTRICT NO. 372
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid/grants	$ 930	$ -	$ -	$ -
Operating transfers	19,879	32,985	10,000	22,985
Total Receipts	20,809	32,985	$ 10,000	$ 22,985
Expenditures				
Instructional Support Staff	23,996	18,836	$ 66,297	$ [47,461]
Total Expenditures	23,996	18,836	$ 66,297	$ [47,461]
Receipts Over [Under] Expenditures	[3,187]	14,149		
Unencumbered Cash, Beginning	59,484	56,297		
Unencumbered Cash, Ending	$ 56,297	$ 70,446		

UNIFIED SCHOOL DISTRICT NO. 372
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Local sources	$ 113,914	$ 198,572	$ 200,000	$ [1,428]
State aid/grants	43,268	76,633	59,079	17,554
Total Receipts	157,182	275,205	$ 259,079	$ 16,126
Expenditures				
Instruction	35,821	27,930	$ 225,652	$ [197,722]
Student support services	46,087	49,479	61,716	[12,237]
Instructional support staff	15,560	15,913	15,507	406
Operations & maintenance	-	-	145,090	[145,090]
Total Expenditures	97,468	93,322	$ 447,965	$ [354,643]
Receipts Over [Under] Expenditures	59,714	181,883		
Unencumbered Cash, Beginning	129,171	188,885		
Unencumbered Cash, Ending	188,885	370,768		

UNIFIED SCHOOL DISTRICT NO. 372
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid/grants	$ 720,859	$ 759,370	$ 872,240	$ [112,870]
Total Receipts	720,859	759,370	$ 872,240	$ [112,870]
Expenditures				
Instruction	511,810	539,153	$ 619,291	$ [80,138]
Student support services	86,503	91,124	104,669	[13,545]
Instructional support staff	14,416	15,187	17,445	[2,258]
General administration	21,626	22,781	26,167	[3,386]
School administration	25,230	26,578	30,528	[3,950]
Operations and maintenance	21,626	26,578	26,167	411
Student transportation services	7,209	22,781	8,723	14,058
Central support services	25,230	7,594	30,528	[22,934]
Food service operation	7,209	7,594	8,722	[1,128]
Total Expenditures	720,859	759,370	$ 872,240	$ [112,870]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 372
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Operating transfers	$ 233,216	$ 206,150	$ 239,652	$ [33,502]
Total Receipts	233,216	206,150	$ 239,652	$ [33,502]
Expenditures				
Instruction	203,213	206,617	$ 319,652	$ [113,035]
Total Expenditures	203,213	206,617	$ 319,652	$ [113,035]
Receipts Over [Under] Expenditures	30,003	[467]		
Unencumbered Cash, Beginning	49,998	80,001		
Unencumbered Cash, Ending	$ 80,001	$ 79,534		

UNIFIED SCHOOL DISTRICT NO. 372
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Operating transfers	$ 2,000	$ 2,391	$ -	$ 2,391
Total Receipts	2,000	2,391	$ -	$ 2,391
Expenditures				
Instruction	2,041	2,391	$ 6,031	$ [3,640]
Total Expenditures	2,041	2,391	$ 6,031	$ [3,640]
Receipts Over [Under] Expenditures	[41]	-		
Unencumbered Cash, Beginning	6,072	6,031		
Unencumbered Cash, Ending	$ 6,031	$ 6,031		

UNIFIED SCHOOL DISTRICT NO. 372
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Operating transfers	$ 16,468	$ 3,329	$ 18,900	$ [15,571]
Total Receipts	16,468	3,329	$ 18,900	$ [15,571]
Expenditures				
Instruction	8,468	3,329	$ 26,900	$ [23,571]
Total Expenditures	8,468	3,329	$ 26,900	$ [23,571]
Receipts Over [Under] Expenditures	8,000	-		
Unencumbered Cash, Beginning	-	8,000		
Unencumbered Cash, Ending	$ 8,000	$ 8,000		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 372
Textbook Rental Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2022 and 2021

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 52,302	$ 54,466
Total Receipts	52,302	54,466
Expenditures		
Instruction	850	31,842
Total Expenditures	850	31,842
Receipts Over [Under] Expenditures	51,452	22,624
Unencumbered Cash, Beginning	113,505	164,957
Unencumbered Cash, Ending	$ 164,957	$ 187,581

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 372
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2022 and 2021

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 10,000	$ 40,000
Total Receipts	10,000	40,000
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	10,000	40,000
Unencumbered Cash, Beginning	544,270	554,270
Unencumbered Cash, Ending	$ 554,270	$ 594,270

* This fund is not required to be budgeted.

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UNIFIED SCHOOL DISTRICT NO. 372
Federal Grants Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022

	Title I	Title II-A
Receipts		
Federal grants	$ 44,970	$ 14,159
Operating transfers	12,160	-
Total Receipts	57,130	14,159
Expenditures		
Instruction	57,130	14,159
Student support services	-	-
School administration	-	-
Operations and maintenance	-	-
Student transportation services	-	-
Miscellaneous	-	-
Operating transfers	-	-
Total Expenditures	57,130	14,159
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

Title IV-A	Title VI-B	ESSER	Carl Perkins	Actual	Budget	Variance Over [Under]
$ 12,160	$ 163,901	$ 315,255	$ 1,009	$ 551,454	$ 686,002	$ [134,548]
-	-	-	-	12,160	-	12,160
12,160	163,901	315,255	1,009	563,614	$ 686,002	$ [122,388]
-	1,255	87,025	-	159,569	$ 310,530	$ [150,961]
-	162,646	18,294	-	180,940	51,356	129,584
-	-	-	-	-	10,765	[10,765]
-	-	5,058	1,009	6,067	94,473	[88,406]
-	-	-	-	-	16,000	[16,000]
-	-	2,000	-	2,000	-	2,000
12,160	-	-	-	12,160	-	12,160
12,160	163,901	112,377	1,009	360,736	$ 483,124	$ [122,388]
-	-	202,878	-	202,878		
-	-	[202,878]	-	[202,878]		
$ -	$ -	$ -	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 372
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Amounts for the Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	$ 469,387	$ 495,569	$ 477,069	$ 18,500
Delinquent tax	5,827	4,836	2,354	2,482
Motor vehicle tax	68,301	70,956	72,443	[1,487]
Recreational vehicle tax	1,287	1,409	1,275	134
Commercial vehicle tax	-	-	1,168	[1,168]
State aid/grants	386,750	399,826	399,826	-
Total Receipts	931,552	972,596	$ 954,135	$ 18,461
Expenditures				
Debt service	690,625	713,975	$ 690,625	$ 23,350
Total Expenditures	690,625	713,975	$ 690,625	$ 23,350
Receipts Over [Under] Expenditures	240,927	258,621		
Unencumbered Cash, Beginning	1,252,258	1,493,185		
Unencumbered Cash, Ending	$ 1,493,185	$ 1,751,806		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 372
Capital Projects Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2022 and 2021

	Prior Year Actual	Current Year Actual
Receipts		
Interest income	$ 1	$ 4
Total Receipts	1	4
Expenditures		
Capital outlay	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	1	4
Unencumbered Cash, Beginning	940	941
Unencumbered Cash, Ending	$ 941	$ 945

* This fund is not required to be budgeted.

Schedule 3

UNIFIED SCHOOL DISTRICT NO. 372
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Petty cash - high school	$ 1,500	$ -	$ -	$ 1,500
Petty cash - elementary school	1,500	-	-	1,500
Sales tax	1,044	1,099	1,268	875
High School				
CPR fee	576	590	10	1,156
Drama	4,472	2,421	1,532	5,361
Student council	1,680	1,386	2,206	860
FFA	4,081	6,814	6,455	4,440
Junior high student council	1,191	518	201	1,508
Class of 2025	30	1,020	15	1,035
Class of 2024	825	1,146	1,140	831
Class of 2023	1,003	5,070	1,445	4,628
Class of 2022	1,761	199	30	1,930
CTG	5,654	990	1,544	5,100
Golden E graphics	4,374	1,144	1,147	4,371
Memorial	1,050	-	-	1,050
National Honor Society	1,061	30	943	148
National Forensics League	2,150	3,779	3,988	1,941
Band	987	10	903	94
Vocal	50	1,010	896	164
Scholars' Bowl	619	360	454	525
Spanish Club	141	83	100	124
Varsity cheerleaders	1,471	7,160	5,755	2,876
Junior high cheerleaders	1,160	9,901	10,879	182
Pommers	1,660	12,314	11,280	2,694
Eagle eye photo	4,669	3,248	2,801	5,116
Total Agency Funds	$ 44,708	$ 60,292	$ 54,992	$ 50,008

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 372
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	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Basketball	$ 1,976	$ 21,152	$ 17,166	$ 5,962	$ 746	$ 6,708
Baseball	816	1,631	471	1,976	-	1,976
Softball	2,636	-	791	1,845	-	1,845
Volleyball	38	4,260	2,524	1,774	-	1,774
Football	2,027	16,319	12,437	5,909	2,399	8,308
Track	1,656	6,929	4,410	4,175	-	4,175
Cross-country	36	1,075	881	230	-	230
Wrestling	751	7,693	3,404	5,040	-	5,040
Golf	245	2,526	2,338	433	-	433
Junior high athletics	10,068	2,348	4,706	7,710	-	7,710
Total Gate Receipts	20,249	63,933	49,128	35,054	3,145	38,199
School Projects						
Grade School						
General	23,844	57,261	52,589	28,516	418	28,934
Library	3,506	2,717	4,302	1,921	119	2,040
Art store	1,742	6,399	6,195	1,946	91	2,037
Sales tax	283	-	-	283	-	283
Physical education	569	11,491	4,873	7,187	-	7,187
Royals tickets	162	636	708	90	-	90
High School						
Sales tax	140	-	26	114	-	114
Nurse/physical	1,425	-	483	942	-	942
Flower fund	2,177	1,982	2,396	1,763	-	1,763
Student activity	8,716	51,050	46,185	13,581	553	14,134
Equipment/supplies	1,633	-	-	1,633	-	1,633
High/jr. high play	2,865	879	345	3,399	-	3,399
Junior high play	1,367	615	362	1,620	-	1,620
Eagle pride	3,114	4,430	3,892	3,652	-	3,652
Golden eagle	990	-	-	990	-	990
Monthly interest	235	32	-	267	-	267
Library supplies	357	70	345	82	-	82
Environmental	791	240	210	821	-	821
Activity fees	600	15,615	10,609	5,606	-	5,606
Junior high yearbook	4,080	4,600	4,405	4,275	-	4,275
Yearbook	6,561	14,784	19,930	1,415	-	1,415
Fall concessions	261	12,400	12,151	510	-	510
Winter concessions	-	16,265	9,486	6,779	-	6,779
Spring concessions	-	8,755	5,654	3,101	-	3,101
Subtotal School Projects	65,419	210,221	185,146	90,494	1,181	91,675
Total District Activity Funds	$ 85,668	$ 274,154	$ 234,274	$ 125,548	$ 4,326	$ 129,874

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 372
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education					
Special Education (IDEA) Cluster					
Special Education Grants to States	84.027	$ -	$ 163,901	$ 163,901	$ -
Special Education - Preschool Grants	84.173	-	7,154	7,154	-
Total Special Education (IDEA) Cluster			171,055	171,055	
Title I Grants to Local Educational Agencies	84.010	-	44,970	44,970	-
Improving Teacher Quality State Grants	84.367	-	14,159	14,159	-
Career and Technical Education	84.048	-	1,009	1,009	-
Student Support & Academic Enrichment Program	84.424	-	12,160	12,160	-
Education Stabilization Fund Under CARES Act	84.425	[202,878]	302,012	99,134	-
Total U.S. Department of Education			545,365	342,487	
U.S. Health and Human Services					
Passed Through State Department of Education					
Epidemiology and Laboratory Capacity for Infectious Disease	93.323	-	15,145	15,145	-
Total U.S. Health and Human Services			15,145	15,145	
U.S. Department of Agriculture					
Passed Through State Department of Education					
Child Nutrition Cluster					
School Breakfast Program	10.553	-	31,862	31,862	-
National School Lunch Program	10.555	-	359,537	313,099	46,438
Special Milk Program for Children	10.556	-	78	78	-
Summer Food Service Program for Children	10.559	-	50,167	50,167	-
Total Child Nutrition Cluster			441,644	395,206	
Pandemic EBT Administrative Costs	10.649	-	614	614	-
Total U.S. Department of Agriculture			442,258	395,820	
Total Expenditures of Federal Awards			$ 1,002,768	$ 753,452	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 372
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. Organization

The Unified School District No. 372 (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

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

5. Outstanding Loans

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

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 372
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster

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

UNIFIED SCHOOL DISTRICT NO. 372
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

Prior Year Findings

None Noted.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

Board of Education
Unified School District No. 372
Silver Lake, Kansas

We have audited, 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 *Kansas Municipal Audit and Accounting Guide*, the financial statements of the Unified School District No. 372 (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 10, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 10, 2023

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Unified School District No. 372
Silver Lake, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of the Unified School District No. 372 (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement 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 grants agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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 judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement 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 Example Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Report on Internal Control Over Compliance

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

Our consideration of the 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 the internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2022, and have issued our report thereon dated May 10, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements 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 financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

May 10, 2023