

**UNIFIED SCHOOL DISTRICT NO. 263  
MULVANE, KANSAS**

**FINANCIAL STATEMENT  
JUNE 30, 2022**



**UNIFIED SCHOOL DISTRICT NO. 263**  
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**JUNE 30, 2022**

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## INDEPENDENT AUDITORS' REPORT

**Board of Education  
Unified School District No. 263  
Mulvane, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 263, Mulvane, Kansas**, as of and for the year ended **June 30, 2022**, and the related notes to the financial statement.

### **Adverse and Unmodified Opinions**

#### *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 263, Mulvane, Kansas**, 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 **Unified School District No. 263, Mulvane, Kansas**, 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; 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*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Unified School District No. 263, Mulvane, Kansas** 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.

**Board of Education  
Unified School District No. 263**

*Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America*

As discussed in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 263, Mulvane, Kansas**, 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 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 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 **Unified School District No. 263, Mulvane, Kansas'** 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.

**Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

**Board of Education  
Unified School District No. 263**

- 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 No. 263, Mulvane, Kansas'** 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 the **Unified School District No. 263, Mulvane, Kansas'** 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, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements, district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The 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

**Board of Education  
Unified School District No. 263**

accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

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 No. 263, Mulvane, Kansas**, as of and for the year ended June 30, 2021, and have issued our report thereon dated December 7, 2021, 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: <https://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 (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 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 Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, on our consideration of **Unified School District No. 263, Mulvane, Kansas'** 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 **Unified School District No. 263, Mulvane, Kansas'** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Unified School District No. 263, Mulvane, Kansas'** internal control over financial reporting and compliance.

**BFR CPA, LLC**

BFR CPA, LLC  
November 29, 2022

**UNIFIED SCHOOL DISTRICT NO. 263  
SUMMARY OF CASH RECEIPTS, EXPENDITURES,  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2022**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 0	\$ 12,064,321	\$ 12,064,321	\$ 0	\$ 0	\$ 0
Special Purpose Funds							
Supplemental General	420,081	0	3,692,071	3,979,630	132,522	0	132,522
Preschool-Aged At-Risk	0	0	102,632	102,632	0	0	0
At Risk (K-12)	0	0	1,489,602	1,489,602	0	0	0
Bilingual Education	0	0	21,600	21,600	0	0	0
Capital Outlay	1,932,553	0	2,433,210	2,482,932	1,882,831	0	1,882,831
Driver Training	63,872	0	16,697	18,054	62,515	0	62,515
Food Service	456,107	0	1,350,353	1,168,430	638,030	0	638,030
Professional Development	45,340	0	7,886	28,196	25,030	0	25,030
Parent Education	0	0	36,361	35,796	565	0	565
Special Education	1,207,711	0	3,589,838	3,597,548	1,200,001	0	1,200,001
Career and Postsecondary Education	100,000	0	425,722	437,518	88,204	0	88,204
KPERS Contribution	0	0	2,003,392	2,003,392	0	0	0
Historical Museum	22,013	0	80,261	87,522	14,752	0	14,752
Recreation Commission	153,746	0	647,507	786,000	15,253	0	15,253
Recreation Commission Employee Benefits	21,482	0	120,001	92,404	49,079	0	49,079
Federal Funds	(267,253)	0	1,200,375	1,597,645	(664,523)	0	(664,523)
Gifts and Grants	61,827	0	110,725	108,114	64,438	0	64,438
Contingency Reserve	1,146,903	0	0	0	1,146,903	0	1,146,903
Textbook & Student Material Revolving	670,207	0	219,183	661,263	228,127	0	228,127
District Activity Funds	29,110	0	153,197	158,079	24,228	0	24,228
Bond and Interest Fund	2,309,128	0	2,224,850	2,177,188	2,356,790	0	2,356,790
	<u>\$ 8,372,827</u>	<u>\$ 0</u>	<u>\$ 31,989,784</u>	<u>\$ 33,097,866</u>	<u>\$ 7,264,745</u>	<u>\$ 0</u>	<u>\$ 7,264,745</u>

Composition of Cash:

Checking Accounts	\$ 3,959,297
Money Market Accounts	3,819,660
	7,778,957
Agency Funds	(514,212)
	<u>\$ 7,264,745</u>

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

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2022**

**Note 1 - Summary of Significant Accounting Policies:**

Financial Reporting Entity

**Unified School District No. 263** is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Mulvane, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

**KMAAG Regulatory Basis of Presentation Fund Definitions:**

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

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

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

Agency Funds-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.)

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

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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 accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

**UNIFIED SCHOOL DISTRICT NO. 263  
NOTES TO FINANCIAL STATEMENT  
JUNE 30, 2022**

**Budget and Tax Cycle**

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 municipality 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 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 amendments for the year ended June 30, 2022.

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 regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the 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:

Federal Funds  
Contingency Reserve Fund  
District Activity Funds

Gifts and Grants Fund  
Textbook & Student Material Revolving Fund

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 - In Substance Receipt in Transit:**

The District received \$564,893 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.

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2022**

**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](http://www.kpers.org) or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 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.

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.

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2022**

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 \$2,003,392 for the year ended June 30, 2022.

**Net Pension Liability**

At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was \$14,604,873. 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 this financial statement.

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

**Note 4 - Interfund Transactions:**

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

Transfer to:								
Transfer from:	Preschool- Aged At-Risk	At Risk (K-12)	Bilingual Education	Food Service	Parent Education	Special Education	Career and Postsecondary Education	Total
General Fund	\$ 102,632	\$ 981,538	\$ 18,334	\$ 0	\$ 0	\$ 2,220,960	\$ 425,722	\$ 3,749,186
Supplemental General Fund	0	499,594	3,266	2,201	11,787	741,789	0	1,258,637
	<u>\$ 102,632</u>	<u>\$ 1,481,132</u>	<u>\$ 21,600</u>	<u>\$ 2,201</u>	<u>\$ 11,787</u>	<u>\$ 2,962,749</u>	<u>\$ 425,722</u>	<u>\$ 5,007,823</u>

**Note 5 - Contingencies:**

**Grant Programs**

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2022**

**Note 6 - Reimbursed Expenditures:**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

**Note 7 - Compensated Absences:**

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

Vacation

Twelve-month non-teacher personnel are provided vacation ranging from 2 to 4 weeks based on years of service. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated or carried forward.

Personal Leave

All classified employees who work at least 20 hours per week start each school year with 7 to 10 days of personal leave with full pay and may carry over a total of 5 days. All certified staff will be granted 10 days of personal leave with full pay and can carry over a total of 10 days into an accumulated sick leave account with an accumulated total of not more than 80 days. Twelve-month administrators and directors start each school year with 30 days of personal leave with full pay and may carry over 15 days of personal leave. Ten and a half month building administrators start each school year with 20 days of personal leave with full pay and may carry over 10 days of personal leave. Terminated or retiring classified staff and administrators are compensated for their unused personal leave at a rate of \$8.00 per hour. Terminated or retiring certified staff are compensated for their unused personal leave at a rate of \$12.00 per day. The accumulated sick leave carried by employees as of July 1, 2008, will be carried forward in a sick leave reserve account that will be paid at the rate of \$12.00 per day upon retirement. Personal leave will be used before the sick leave reserve unless there is five consecutive days of absence. Classified staff can use sick leave reserve for bereavement or after 3 days of personal illness if accompanied by a note from a doctor. For financial statement purposes, personal leave is recognized when paid.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

**Note 8 - Postemployment Benefits:**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2022**

**Note 9 - Deposits:**

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 be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2022.

At June 30, 2022, the District's carrying amount of deposits was \$7,778,957 and the bank balance was \$9,061,066. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$269,787 was covered by federal depository insurance and the remaining \$8,791,279 was collateralized with securities held by the pledging financial institution's agent in the District's name.

**Note 10 - Subsequent Events:**

The District has evaluated subsequent events through November 29, 2022, the date which the financial statement was available to be issued.

**Note 11 - Lease Agreements:**

As of June 30, 2022, the District received lease payments from one entity. The following is a listing of the property, terms and payment amounts for this lease:

Entity	Term of Lease	Payment per Month
Mulvane Recreation Commission	135 month term	\$8,650

**UNIFIED SCHOOL DISTRICT NO. 263**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2022**

**Note 12 - Long-Term Debt:**

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually.

Principal and interest payments on the capital leases are due semi-annually and monthly.

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	2.50	8/1/2012	\$ 20,755,000	9/1/2025
Capital Outlay Series 2022	4.00	6/1/2022	\$ 995,000	6/1/2027
Capital Leases				
Energy Equipment	4.189	6/29/2011	\$ 1,185,832	6/29/2023

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	\$ 9,175,000	\$ 0	\$ 1,960,000	\$ 7,215,000	\$ 217,188
Capital Outlay Series 2022	0	995,000	0	995,000	0
	<u>9,175,000</u>	<u>995,000</u>	<u>1,960,000</u>	<u>8,210,000</u>	<u>217,188</u>
Capital Leases					
Energy Equipment	240,741	0	117,876	122,865	8,863
	<u>\$ 9,415,741</u>	<u>\$ 995,000</u>	<u>\$ 2,077,876</u>	<u>\$ 8,332,865</u>	<u>\$ 226,051</u>

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

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	
2023	\$ 2,225,000	\$ 122,865	\$ 2,347,865	\$ 207,550	\$ 3,873	\$ 211,423	\$ 2,559,288
2024	2,295,000	0	2,295,000	148,562	0	148,562	2,443,562
2025	2,290,000	0	2,290,000	87,625	0	87,625	2,377,625
2026	1,200,000	0	1,200,000	28,500	0	28,500	1,228,500
2027	200,000	0	200,000	8,000	0	8,000	208,000
	<u>\$ 8,210,000</u>	<u>\$ 122,865</u>	<u>\$ 8,332,865</u>	<u>\$ 480,237</u>	<u>\$ 3,873</u>	<u>\$ 484,110</u>	<u>\$ 8,816,975</u>

**REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 263**  
**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 Fund	\$ 12,942,441	\$ (882,845)	\$ 4,725	\$ 12,064,321	\$ 12,064,321	\$ 0
Special Purpose Funds						
Supplemental General	4,271,052	(291,422)	0	3,979,630	3,979,630	0
Preschool-Aged At-Risk	110,000	0	0	110,000	102,632	(7,368)
At Risk (K-12)	1,876,622	0	0	1,876,622	1,489,602	(387,020)
Bilingual Education	28,000	0	0	28,000	21,600	(6,400)
Capital Outlay	3,500,159	0	0	3,500,159	2,482,932	(1,017,227)
Driver Training	90,872	0	0	90,872	18,054	(72,818)
Food Service	1,454,707	0	0	1,454,707	1,168,430	(286,277)
Professional Development	70,340	0	0	70,340	28,196	(42,144)
Parent Education	70,361	0	0	70,361	35,796	(34,565)
Special Education	4,313,172	0	0	4,313,172	3,597,548	(715,624)
Career and Postsecondary Education	553,681	0	0	553,681	437,518	(116,163)
KPERS Contribution	2,589,601	0	0	2,589,601	2,003,392	(586,209)
Historical Museum	87,522	0	0	87,522	87,522	0
Recreation Commission	786,000	0	0	786,000	786,000	0
Recreation Commission Employee Benefits	92,404	0	0	92,404	92,404	0
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,597,645	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	108,114	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	661,263	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	158,079	XXXXXXXXXX
Bond and Interest Fund	2,177,188	0	0	2,177,188	2,177,188	0
	<u>\$ 35,014,122</u>	<u>\$ (1,174,267)</u>	<u>\$ 4,725</u>	<u>\$ 33,844,580</u>	<u>\$ 33,097,866</u>	<u>\$ (3,271,815)</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 3,924	\$ 4,725	\$ 0	\$ 4,725
State Sources	11,907,728	12,059,596	12,942,441	(882,845)
	<u>11,911,652</u>	<u>12,064,321</u>	<u>\$ 12,942,441</u>	<u>\$ (878,120)</u>
Expenditures				
Instruction	5,693,120	5,874,446	\$ 6,246,809	\$ (372,363)
Student Support Services	286,602	322,580	293,300	29,280
Instructional Support Staff	236,828	255,988	246,000	9,988
General Administration	349,814	369,706	350,500	19,206
School Administration	1,003,141	1,011,328	1,033,000	(21,672)
Central Services	165,059	166,142	173,400	(7,258)
Student Transportation Services	274,988	314,945	286,200	28,745
Transfers	3,902,100	3,749,186	4,313,232	(564,046)
Adjustment to Comply with Legal Max	0	0	(882,845)	882,845
Adjustment for Qualifying Budget Credits	0	0	4,725	(4,725)
	<u>11,911,652</u>	<u>12,064,321</u>	<u>\$ 12,064,321</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,662,318	\$ 1,572,405	\$ 1,605,895	\$ (33,490)
County Sources	202,024	209,842	195,398	14,444
State Sources	1,925,131	1,909,824	2,049,678	(139,854)
	<u>3,789,473</u>	<u>3,692,071</u>	<u>\$ 3,850,971</u>	<u>\$ (158,900)</u>
Expenditures				
Instruction	486,877	371,139	\$ 657,913	\$ (286,774)
General Administration	57,217	62,700	83,500	(20,800)
School Administration	6,584	797	8,000	(7,203)
Central Services	361,443	432,546	413,500	19,046
Operations & Maintenance	1,674,051	1,853,811	1,797,500	56,311
Transfers	1,371,745	1,258,637	1,310,639	(52,002)
Adjustment to Comply with Legal Max	0	0	(291,422)	291,422
	<u>3,957,917</u>	<u>3,979,630</u>	<u>\$ 3,979,630</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(168,444)	(287,559)		
Unencumbered Cash, Beginning	588,525	420,081		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 420,081</u>	<u>\$ 132,522</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Preschool-Aged At-Risk Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers	\$ 94,634	\$ 102,632	\$ 110,000	\$ (7,368)
	<u>94,634</u>	<u>102,632</u>	<u>\$ 110,000</u>	<u>\$ (7,368)</u>
Expenditures				
Instruction	94,634	102,632	\$ 110,000	\$ (7,368)
	<u>94,634</u>	<u>102,632</u>	<u>\$ 110,000</u>	<u>\$ (7,368)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>At Risk (K-12) Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 11,910	\$ 8,470	\$ 50,000	\$ (41,530)
Transfers	1,397,525	1,481,132	1,826,622	(345,490)
	<u>1,409,435</u>	<u>1,489,602</u>	<u>\$ 1,876,622</u>	<u>\$ (387,020)</u>
Expenditures				
Instruction	1,236,146	1,312,820	\$ 1,691,622	\$ (378,802)
Student Support Services	173,289	176,782	185,000	(8,218)
	<u>1,409,435</u>	<u>1,489,602</u>	<u>\$ 1,876,622</u>	<u>\$ (387,020)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Bilingual Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 24,366	\$ 21,600	\$ 28,000	\$ (6,400)
	<u>24,366</u>	<u>21,600</u>	<u>\$ 28,000</u>	<u>\$ (6,400)</u>
Expenditures				
Instruction	24,366	21,600	\$ 28,000	\$ (6,400)
	<u>24,366</u>	<u>21,600</u>	<u>\$ 28,000</u>	<u>\$ (6,400)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,246,967	\$ 1,938,117	\$ 1,075,157	\$ 862,960
County Sources	102,640	96,148	92,270	3,878
State Sources	389,813	398,945	400,179	(1,234)
	<u>1,739,420</u>	<u>2,433,210</u>	<u>\$ 1,567,606</u>	<u>\$ 865,604</u>
Expenditures				
Instruction	18,906	58,445	\$ 50,000	\$ 8,445
General Administration	0	1,238	0	1,238
Central Services	117,650	353,246	500,000	(146,754)
Operations & Maintenance	381,734	490,252	580,420	(90,168)
Transportation	225,731	90,841	243,000	(152,159)
Facility Acquisition & Construction				
Services	382,691	1,362,171	2,000,000	(637,829)
Debt Service	126,739	126,739	126,739	0
	<u>1,253,451</u>	<u>2,482,932</u>	<u>\$ 3,500,159</u>	<u>\$ (1,017,227)</u>
Receipts Over (Under) Expenditures	485,969	(49,722)		
Unencumbered Cash, Beginning	1,446,584	1,932,553		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,932,553</u>	<u>\$ 1,882,831</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 10,716	\$ 8,157	\$ 15,000	\$ (6,843)
State Sources	4,284	8,540	12,000	(3,460)
	<u>15,000</u>	<u>16,697</u>	<u>\$ 27,000</u>	<u>\$ (10,303)</u>
Expenditures				
Instruction	10,769	17,348	\$ 16,000	\$ 1,348
Vehicle Operations, Maintenance Services	<u>1,115</u>	<u>706</u>	<u>74,872</u>	<u>(74,166)</u>
	<u>11,884</u>	<u>18,054</u>	<u>\$ 90,872</u>	<u>\$ (72,818)</u>
Receipts Over (Under) Expenditures	3,116	(1,357)		
Unencumbered Cash, Beginning	60,756	63,872		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 63,872</u>	<u>\$ 62,515</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 6,357	\$ 60,383	\$ 25,000	\$ 35,383
State Sources	9,338	9,319	5,600	3,719
Federal Sources	1,093,542	1,278,450	966,000	312,450
Transfers	0	2,201	2,000	201
	<u>1,109,237</u>	<u>1,350,353</u>	<u>\$ 998,600</u>	<u>\$ 351,753</u>
Expenditures				
Operations & Maintenance	9,160	62,423	\$ 118,000	\$ (55,577)
Food Service Operation	883,931	1,106,007	1,336,707	(230,700)
	<u>893,091</u>	<u>1,168,430</u>	<u>\$ 1,454,707</u>	<u>\$ (286,277)</u>
Receipts Over (Under) Expenditures	216,146	181,923		
Unencumbered Cash, Beginning	239,961	456,107		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 456,107</u>	<u>\$ 638,030</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 8,500	\$ 7,886	\$ 10,000	\$ (2,114)
State Sources	4,236	0	0	0
Transfers	15,000	0	15,000	(15,000)
	<u>27,736</u>	<u>7,886</u>	<u>\$ 25,000</u>	<u>\$ (17,114)</u>
Expenditures				
Instructional Support Staff	18,396	28,196	\$ 70,340	\$ (42,144)
	<u>18,396</u>	<u>28,196</u>	<u>\$ 70,340</u>	<u>\$ (42,144)</u>
Receipts Over (Under) Expenditures	9,340	(20,310)		
Unencumbered Cash, Beginning	36,000	45,340		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 45,340</u>	<u>\$ 25,030</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Parent Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 4,000	\$ 1,000	\$ 35,000	\$ (34,000)
State Sources	23,619	23,574	23,574	0
Transfers	11,810	11,787	11,787	0
	<u>39,429</u>	<u>36,361</u>	<u>\$ 70,361</u>	<u>\$ (34,000)</u>
Expenditures				
Student Support Services	32,925	33,563	\$ 65,511	\$ (31,948)
Instructional Support Staff	7,850	2,233	4,850	(2,617)
	<u>40,775</u>	<u>35,796</u>	<u>\$ 70,361</u>	<u>\$ (34,565)</u>
Receipts Over (Under) Expenditures	(1,346)	565		
Unencumbered Cash, Beginning	1,346	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 565</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 99,060	\$ 62,807	\$ 100,000	\$ (37,193)
Federal Sources	458,252	564,282	647,476	(83,194)
Transfers	<u>2,747,610</u>	<u>2,962,749</u>	<u>3,105,462</u>	<u>(142,713)</u>
	<u>3,304,922</u>	<u>3,589,838</u>	<u>\$ 3,852,938</u>	<u>\$ (263,100)</u>
Expenditures				
Instruction	2,299,636	2,582,276	\$ 2,849,722	\$ (267,446)
Student Support Services	647,160	681,170	688,150	(6,980)
Instructional Support Staff	26,851	31,260	28,800	2,460
General Administration	241,657	215,951	257,500	(41,549)
Student Transportation Services	<u>81,908</u>	<u>86,891</u>	<u>489,000</u>	<u>(402,109)</u>
	<u>3,297,212</u>	<u>3,597,548</u>	<u>\$ 4,313,172</u>	<u>\$ (715,624)</u>
Receipts Over (Under) Expenditures	7,710	(7,710)		
Unencumbered Cash, Beginning	1,200,001	1,207,711		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,207,711</u>	<u>\$ 1,200,001</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

Career and Postsecondary Education Fund	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	\$ 378,114	\$ 425,722	\$ 453,681	\$ (27,959)
	<u>378,114</u>	<u>425,722</u>	<u>453,681</u>	<u>\$ (27,959)</u>
Expenditures				
Instruction	378,883	437,518	\$ 552,681	\$ (115,163)
School Administration	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>(1,000)</u>
	<u>378,883</u>	<u>437,518</u>	<u>\$ 553,681</u>	<u>\$ (116,163)</u>
Receipts Over (Under) Expenditures	(769)	(11,796)		
Unencumbered Cash, Beginning	100,769	100,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>	<u>\$ 88,204</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 1,810,910	\$ 2,003,392	\$ 2,589,601	\$ (586,209)
	<u>1,810,910</u>	<u>2,003,392</u>	<u>\$ 2,589,601</u>	<u>\$ (586,209)</u>
Expenditures				
Instruction	1,095,910	533,014	\$ 1,464,601	\$ (931,587)
Student Support Services	50,000	350,705	75,000	275,705
Instructional Support Staff	50,000	126,264	75,000	51,264
General Administration	100,000	148,352	200,000	(51,648)
School Administration	215,000	250,660	400,000	(149,340)
Other Supplemental Services	50,000	90,220	100,000	(9,780)
Operations & Maintenance	100,000	234,617	200,000	34,617
Student Transportation Services	50,000	98,176	75,000	23,176
Food Service	100,000	171,384	0	171,384
	<u>1,810,910</u>	<u>2,003,392</u>	<u>\$ 2,589,601</u>	<u>\$ (586,209)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Historical Museum Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 83,387	\$ 70,981	\$ 68,893	\$ 2,088
County Sources	9,061	9,280	8,727	553
	<u>92,448</u>	<u>80,261</u>	<u>\$ 77,620</u>	<u>\$ 2,641</u>
Expenditures				
Community Services Operations	94,520	87,522	\$ 87,522	\$ 0
	<u>94,520</u>	<u>87,522</u>	<u>\$ 87,522</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(2,072)	(7,261)		
Unencumbered Cash, Beginning	24,085	22,013		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 22,013</u>	<u>\$ 14,752</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Recreation Commission Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 692,086	\$ 578,162	\$ 574,338	\$ 3,824
County Sources	70,986	69,345	60,749	8,596
	<u>763,072</u>	<u>647,507</u>	<u>\$ 635,087</u>	<u>\$ 12,420</u>
Expenditures				
Community Service Operations	700,000	786,000	\$ 786,000	\$ 0
	<u>700,000</u>	<u>786,000</u>	<u>\$ 786,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	63,072	(138,493)		
Unencumbered Cash, Beginning	90,674	153,746		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 153,746</u>	<u>\$ 15,253</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

Recreation Commission Employee Benefits Fund		Current Year		Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 115,779	\$ 119,599	\$ 109,050	\$ 10,549
County Sources	105	402	8,132	(7,730)
	<u>115,884</u>	<u>120,001</u>	<u>\$ 117,182</u>	<u>\$ 2,819</u>
Expenditures				
Community Service Operations	107,677	92,404	\$ 92,404	\$ 0
	<u>107,677</u>	<u>92,404</u>	<u>\$ 92,404</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	8,207	27,597		
Unencumbered Cash, Beginning	13,275	21,482		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 21,482</u>	<u>\$ 49,079</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH 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)**

<u>Bond and Interest Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,724,769	\$ 1,306,225	\$ 1,307,046	\$ (821)
County Sources	140,219	134,837	129,501	5,336
State Sources	795,431	783,788	783,788	0
	<u>2,660,419</u>	<u>2,224,850</u>	<u>\$ 2,220,335</u>	<u>\$ 4,515</u>
Expenditures				
Debt Service	<u>2,149,813</u>	<u>2,177,188</u>	<u>\$ 2,177,188</u>	<u>\$ 0</u>
	<u>2,149,813</u>	<u>2,177,188</u>	<u>\$ 2,177,188</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	510,606	47,662		
Unencumbered Cash, Beginning	1,798,522	2,309,128		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,309,128</u>	<u>\$ 2,356,790</u>		

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)**

<u>Federal Funds</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 657,396	\$ 1,200,375
	<u>657,396</u>	<u>1,200,375</u>
Expenditures		
Instruction	324,411	316,963
Student Support Services	24,150	124,540
Instructional Support Services	21,595	30,215
School Administration	860	1,323
Operations & Maintenance	565,598	1,124,604
	<u>936,614</u>	<u>1,597,645</u>
Receipts Over (Under) Expenditures	(279,218)	(397,270)
Unencumbered Cash, Beginning	11,965	(267,253)
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ (267,253)</u>	<u>\$ (664,523)</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)**

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 66,653	\$ 63,918
State Sources	22,500	24,307
Federal Sources	22,500	22,500
	<u>111,653</u>	<u>110,725</u>
Expenditures		
Instruction	<u>122,201</u>	<u>108,114</u>
	<u>122,201</u>	<u>108,114</u>
Receipts Over (Under) Expenditures	(10,548)	2,611
Unencumbered Cash, Beginning	72,375	61,827
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 61,827</u>	<u>\$ 64,438</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)**

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 204,786	\$ 0
	<u>204,786</u>	<u>0</u>
Expenditures		
General Administration	7,200	0
	<u>7,200</u>	<u>0</u>
Receipts Over (Under) Expenditures	197,586	0
Unencumbered Cash, Beginning	949,317	1,146,903
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,146,903</u>	<u>\$ 1,146,903</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)**

Textbook & Student Material			
Revolving Fund			
		Prior Year	Current Year
		Actual	Actual
Cash Receipts			
Local Sources	\$ 169,236	\$ 219,183	
Transfers	400,000	0	
	<u>569,236</u>	<u>219,183</u>	
Expenditures			
Instruction	313,093	650,402	
Central Services	22,070	10,861	
	<u>335,163</u>	<u>661,263</u>	
Receipts Over (Under) Expenditures	234,073	(442,080)	
Unencumbered Cash, Beginning	436,134	670,207	
Prior Year Canceled Encumbrances	0	0	
Unencumbered Cash, Ending	<u>\$ 670,207</u>	<u>\$ 228,127</u>	

**UNIFIED SCHOOL DISTRICT NO. 263**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Mulvane High School				
Athletic Fund Raising	\$ 15,469	\$ 2,376	\$ 9,463	\$ 8,382
Community Support Network	843	1	0	844
Sales Tax	558	10,601	11,159	0
Refund	0	796	796	0
Booster Club Donations	0	2,282	0	2,282
Baseball	3,769	6,050	4,390	5,429
Basketball - Girls	3,526	3,325	5,126	1,725
Basketball - Boys	3,900	4,998	5,042	3,856
Bowling Club	100	445	180	365
Cheerleading Club	2,292	28,909	17,024	14,177
Cross Country - MHS	2,192	149	226	2,115
Flag Team	1,469	4,048	2,854	2,663
Football	10,140	7,574	5,888	11,826
Golf - Boys Club	281	611	775	117
Golf - Girls Club	47	390	0	437
Klassy Kat Dance Club	590	10,457	9,841	1,206
Soccer - Boys	3,863	706	256	4,313
Soccer - Girls	2,898	1,393	925	3,366
Softball	2,026	2,960	2,719	2,267
Track and Field	1,540	1,114	873	1,781
Volleyball	126	566	0	692
Wrestling	2,517	509	2,021	1,005
Band/Percussion Club	3,571	873	1,147	3,297
Class of 2022	431	1,275	1,706	0
Class of 2023	100	4,890	3,875	1,115
Class of 2024	62	121	142	41
Class of 2025	0	379	176	203
Jr Class Service Project	292	0	265	27
Debate/Forensics/NFL	0	300	300	0
Drama	17	0	17	0
Future Business Leaders of America	397	4,098	2,385	2,110
FCCLA	256	466	554	168
FFA	17,149	55,679	56,765	16,063
Circle of Friends	493	0	0	493
Kay Club	828	1,584	1,465	947
KCAT	270	0	0	270
	<u>82,012</u>	<u>159,925</u>	<u>148,355</u>	<u>93,582</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Mulvane High School (continued)				
National Honor Society	712	1,749	1,969	492
Rowdie Crowd Pep Club	336	2,035	1,755	616
SADD/RAD Club	2,333	2,172	2,663	1,842
Scholars Bowl	702	0	181	521
Sch Newspaper Club (Cat Tracks)	23	0	0	23
Skills USA	4,727	1	443	4,285
Student Council	0	4,020	3,033	987
Thespians	46	6,081	3,744	2,383
Vocal Music/Espirit Club	9,269	5,137	11,525	2,881
Wildcat Café	2,392	1	995	1,398
Yearbook Club	2,280	22,914	22,788	2,406
	<u>104,832</u>	<u>204,035</u>	<u>197,451</u>	<u>111,416</u>
Mulvane Middle School				
Student Achievement - Donation	1,380	717	1,514	583
2021-2022 Grant	0	1,420	1,396	24
Basketball - Girls	456	274	162	568
Basketball - Boys	1,560	375	0	1,935
Cheerleaders	10,547	11,014	16,086	5,475
Cross Country	309	257	0	566
Football	1,727	476	480	1,723
Track	1,994	459	1,000	1,453
Volleyball	1,608	1,600	613	2,595
Wrestling Club	434	148	174	408
Team 6A	281	134	121	294
Team 6B	242	0	165	77
Careers	844	0	0	844
National Honor Society	460	690	1,043	107
SADD/RAD Club	1,340	537	809	1,068
Sevenettes Club	118	375	416	77
Student Council	2,447	742	1,093	2,096
Yearbook Club	836	8,973	4,224	5,585
	<u>26,583</u>	<u>28,191</u>	<u>29,296</u>	<u>25,478</u>
Health Insurance Reserve	<u>182,405</u>	<u>1,405,934</u>	<u>1,211,021</u>	<u>377,318</u>
Total Agency Funds	<u>\$ 313,820</u>	<u>\$ 1,638,160</u>	<u>\$ 1,437,768</u>	<u>\$ 514,212</u>

**UNIFIED SCHOOL DISTRICT NO. 263**  
**DISTRICT ACTIVITY FUNDS**  
**SCHEDULE OF CASH RECEIPTS, EXPENDITURES,**  
**AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Mulvane High School</b>							
Activity Passes - Patrons	\$ 0	\$ 0	\$ 1,465	\$ 1,465	\$ 0	\$ 0	\$ 0
Gate Receipts/Ath/Unif Replace	0	0	63,360	63,360	0	0	0
Concessions	3,893	0	36,303	36,320	3,876	0	3,876
Interest	35	0	41	69	7	0	7
Clearing Account	4,042	0	5,338	8,317	1,063	0	1,063
Library (Fines & Book Fairs)	111	0	285	120	276	0	276
	<u>8,081</u>	<u>0</u>	<u>106,792</u>	<u>109,651</u>	<u>5,222</u>	<u>0</u>	<u>5,222</u>
<b>Mulvane Middle School</b>							
Gate Receipts/Athlete/Uniform Replacement	400	0	12,496	12,896	0	0	0
Bldg Rent - Area Rents	0	0	545	545	0	0	0
Activity Passes - Patrons	0	0	1,496	1,496	0	0	0
Athletic Entry Fees	770	0	1,632	2,402	0	0	0
Concessions	2,275	0	12,327	11,693	2,909	0	2,909
Interest	37	0	9	0	46	0	46
Refund	0	0	95	95	0	0	0
Donations - Misc.	283	0	0	280	3	0	3
Pop/Vending	160	0	1,223	1,116	267	0	267
	<u>3,925</u>	<u>0</u>	<u>29,823</u>	<u>30,523</u>	<u>3,225</u>	<u>0</u>	<u>3,225</u>
<b>Mulvane Grade School</b>							
Library	1,434	0	7,411	6,004	2,841	0	2,841
IOTA CHI Donation	33	0	0	33	0	0	0
Donation - Misc.	3,436	0	2,295	3,258	2,473	0	2,473
T.A.P.E. Donation	3,930	0	0	3,531	399	0	399
	<u>8,833</u>	<u>0</u>	<u>9,706</u>	<u>12,826</u>	<u>5,713</u>	<u>0</u>	<u>5,713</u>
<b>Munsion Primary School</b>							
Library	6,826	0	5,438	3,857	8,407	0	8,407
IOTA CHI Donation	9	0	0	0	9	0	9
Refund	75	0	135	210	0	0	0
T.A.P.E. Donation	1,268	0	1,303	947	1,624	0	1,624
Just Give - Donation	93	0	0	65	28	0	28
	<u>8,271</u>	<u>0</u>	<u>6,876</u>	<u>5,079</u>	<u>10,068</u>	<u>0</u>	<u>10,068</u>
<b>Total District Activity Funds</b>	<u>\$ 29,110</u>	<u>\$ 0</u>	<u>\$ 153,197</u>	<u>\$ 158,079</u>	<u>\$ 24,228</u>	<u>\$ 0</u>	<u>\$ 24,228</u>

## **FEDERAL AWARD INFORMATION**



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

**Board of Education  
Unified School District No. 263  
Mulvane, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 263, Mulvane, Kansas**, as of and for the year ended **June 30, 2022**, and the related notes to the financial statement, which collectively comprise **Unified School District No. 263, Mulvane, Kansas'** basic financial statement, and have issued our report thereon dated November 29, 2022. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered **Unified School District No. 263, Mulvane, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 263, Mulvane, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 263, Mulvane, Kansas'** internal control.

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

**Board of Education  
Unified School District No. 263**

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Unified School District No. 263, Mulvane, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

***BFR CPA, LLC***

BFR CPA, LLC  
November 29, 2022



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

**Board of Education  
Unified School District No. 263  
Mulvane, Kansas**

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited **Unified School District No. 263, Mulvane, Kansas'** 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 No. 263, Mulvane, Kansas'** major federal programs for the year ended **June 30, 2022**. **Unified School District No. 263, Mulvane, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Unified School District No. 263, Mulvane, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2022**.

#### **Basis for Opinion on Each Major Federal Program**

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

We are required to be independent of **Unified School District No. 263, Mulvane, Kansas** 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Unified School District No. 263, Mulvane, Kansas'** compliance with the compliance requirements referred to above.

**Board of Education  
Unified School District No. 263**

**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 No. 263, Mulvane, Kansas'** major federal programs.

**Auditors' 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 No. 263, Mulvane, Kansas'** 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Unified School District No. 263, Mulvane, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 No. 263, Mulvane, Kansas'** 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 No. 263, Mulvane, Kansas'** 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 No. 263, Mulvane, Kansas'** 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.

**Board of Education  
Unified School District No. 263**

**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 major 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 major 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 major federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

***BFR CPA, LLC***

BFR CPA, LLC  
November 29, 2022

**UNIFIED SCHOOL DISTRICT NO. 263**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Grant Title	Assistance Listing Number	Program Amount	Unencumbered Cash 7/1/2021	Receipts	Expenditures	Unencumbered Cash 6/30/2022
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	\$ 258,850	\$ 0	\$ 258,850	\$ 258,850	\$ 0
National School Lunch Program	10.555	927,251	0	927,251	616,779	310,472
Summer Food Service Program for Children	10.559	91,735	200,451	91,735	292,186	0
		<u>1,277,836</u>	<u>200,451</u>	<u>1,277,836</u>	<u>1,167,815</u>	<u>310,472</u>
State Pandemic Electronic Benefit Transfer Administrative Costs Grants	10.649	614	0	614	614	0
		<u>1,278,450</u>	<u>200,451</u>	<u>1,278,450</u>	<u>1,168,429</u>	<u>310,472</u>
Department of Education						
Special Education Cluster (IDEA)-Cluster						
Special Education - Grants to States	84.027	440,886	0	440,886	440,886	0
Special Education - Preschool Grants	84.173	19,243	0	19,243	19,243	0
		<u>460,129</u>	<u>0</u>	<u>460,129</u>	<u>460,129</u>	<u>0</u>
Title I Grants to Local Educational Agencies	84.010	239,412	0	239,412	239,412	0
Career and Technical Education - Basic Grants to States	84.048	30,191	0	30,191	30,191	0
Supporting Effective Instruction State Grant	84.367	63,986	(739)	64,725	63,986	0
Student Support and Academic Enrichment Program	84.424	14,912	0	10,170	14,912	(4,742)
COVID-19 Education Stabilization Fund	84.425D	1,134,758	(266,514)	791,269	1,134,757	(610,002)
		<u>1,943,388</u>	<u>(267,253)</u>	<u>1,595,896</u>	<u>1,943,387</u>	<u>(614,744)</u>
Department of Health and Human Services						
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	125,376	0	75,597	125,376	(49,779)
TANF Cluster-Cluster						
Temporary Assistance for Needy Families State Programs	93.558	22,500	0	22,500	22,500	0
		<u>147,876</u>	<u>0</u>	<u>98,097</u>	<u>147,876</u>	<u>(49,779)</u>
<u>(Passes Through Kansas Department of SRS)</u>						
Department of Health and Human Services						
Medicaid Cluster-Cluster						
Medical Assistance Program	93.778	93,164	0	93,164	93,164	0
Total Federal Awards		<u>\$ 3,462,878</u>	<u>\$ (66,802)</u>	<u>\$ 3,065,607</u>	<u>\$ 3,352,856</u>	<u>\$ (354,051)</u>

The accompanying notes are an integral part of this schedule.

**UNIFIED SCHOOL DISTRICT NO. 263  
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 includes the federal grant activity of **Unified School District No. 263, Mulvane, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. 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).

**Note 2 - Indirect Cost Rate:**

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**UNIFIED SCHOOL DISTRICT NO. 263  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Unified School District No. 263, Mulvane, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the 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*.
3. No instances of noncompliance material to the financial statement of **Unified School District No. 263, Mulvane, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **Unified School District No. 263, Mulvane, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Unified School District No. 263, Mulvane, Kansas**.
7. The programs tested as major programs were:

COVID-19 Education Stabilization Fund	84.425D
Title I Grants to Local Educational Agencies	84.010
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **Unified School District No. 263, Mulvane, Kansas**, was determined not to be a low-risk auditee.

**UNIFIED SCHOOL DISTRICT NO. 263  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

There are no prior audit findings.