UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended June 30, 2022

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 355 Ellinwood, Kansas
Ellinwood, Kansas

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. 355 Ellinwood, Kansas**, 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 matters 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 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 Kansas Municipal Audit and Accounting Guide and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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.

above+beyond
AdamsBrown, LLC

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.

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 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 schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, summary of regulatory basis receipts and disbursements – agency funds, and schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated September 13, 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, 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. 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 October 10, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

October 10, 2022

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Governmental Type Funds							
General Funds							
General Fund	$ 676	-	3,962,303	3,962,979	**-**	-	**-**
Supplemental General Fund	141,065	-	1,491,446	1,441,739	**190,772**	-	**190,772**
Special Purpose Funds							
Capital Outlay Fund	434,445	-	392,846	546,718	**280,573**	119,400	**399,973**
Vocational Education Fund	-	-	201,625	201,625	**-**	-	**-**
Special Education Fund	215,304	-	724,060	869,902	**69,462**	-	**69,462**
Food Service Fund	58,072	-	348,558	372,113	**34,517**	-	**34,517**
Driver Training Fund	39,592	-	9,254	12,430	**36,416**	-	**36,416**
KPERS Retirement Contributions Fund	-	-	498,717	498,717	**-**	-	**-**
Professional Development Fund	77,387	-	28,182	31,175	**74,394**	-	**74,394**
Contingency Fund	728,539	-	-	-	**728,539**	-	**728,539**
Textbook Rental Fund	64,425	-	18,386	1,047	**81,764**	-	**81,764**
Title I, Part A Improving the Academic Achievement of Disadvantaged Fund	-	-	77,287	77,287	**-**	-	**-**
Title II, Part A Teacher Quality Fund	-	-	10,006	10,006	**-**	-	**-**
Title IV, Part A Student Support and Academic Enrichment Fund	-	-	13,784	13,784	**-**	-	**-**
Federal Funds Fund	-	-	281,681	281,681	**-**	-	**-**
At Risk (K-12) Fund	-	-	666,850	666,850	**-**	-	**-**
Recreation Commission Fund	-	-	108,241	108,241	**-**	-	**-**
District Activity Funds	74,746	-	143,603	138,625	**79,724**	-	**79,724**
Bond and Interest Fund							
Bond and Interest Fund	155,433	-	1,544	-	**156,977**	-	**156,977**
Total Primary Government (Excluding Agency Funds)	$ 1,989,684	-	8,978,373	9,234,919	**1,733,138**	119,400	**1,852,538**

Composition of Cash	Checking Accounts	$ **1,028,881**
	Certificates of Deposit	**895,465**
	Total Cash	**1,924,346**
	Agency Funds per Schedule 3	**(71,808)**
	Total Primary Government (Excluding Agency Funds)	$ **1,852,538**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 355 Ellinwood, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

Recreation Commission

Ellinwood Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. No audited financial statements are issued. Contact the recreation commission's office to obtain financial information of the recreation commission.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2022.

Regulatory Basis Fund Types

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

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

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

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

Basis of Accounting

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 generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Reimbursements
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 KMAAG regulatory basis of accounting.

NOTE 2 – BUDGETARY INFORMATION

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

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Contingency Fund, Textbook Rental Fund, Title I, Part A Improving the Academic Achievement of Disadvantaged Fund, Title II, Part A Teacher Quality Fund, Title IV, Part A Student Support and Academic Enrichment Fund, Federal Funds Fund, and District Activity Funds.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Unified School District No. 355 Ellinwood, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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 K.S.A. 9-1405.

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

At June 30, 2022, the District's carrying amount of deposits was $1,924,346 and the bank balance was $2,075,988. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and $1,575,988 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. The District had no investments at June 30, 2022.

NOTE 4 – IN-SUBSTANCE RECEIPT IN TRANSIT

Unified School District No. 355 Ellinwood, Kansas received $183,076 subsequent to June 30, 2022 and as required by K.S.A. 72-5135, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 355 Ellinwood, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2022 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Special Education Fund	K.S.A. 72-5167	$	595,702
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167		570,850
General Fund	Professional Development Fund	K.S.A. 72-5167		28,182
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-5143		201,625
Supplemental General Fund	Textbook Rental Fund	K.S.A. 72-5143		2,436
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143		100,488
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143		96,000

NOTE 6 – LITIGATION

Unified School District No. 355 Ellinwood, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

Unified School District No. 355 Ellinwood, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – DEFERRED COMPENSATION PLAN

Unified School District No. 355 Ellinwood, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Plan Description

Unified School District No. 355 Ellinwood, Kansas 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

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

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 $498,717 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 $3,721,939. 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 or can be obtained as described above.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **Unified School District No. 355 Ellinwood, Kansas** 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 this financial statement.

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

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2022.

NOTE 12 – COMPENSATED ABSENCES

Vacation

The superintendent is allowed 20 days of vacation per year and the business manager is allowed 10 days of vacation per year. Other classified personnel with 12 month contracts are allowed .8333 days per month of employment up to 14 years of service. For employees with 15 or more years of service, vacation will be accrued at the rate of 1.25 days per month.

Classified employees are encouraged to use their vacation before the end of the fiscal year; however, five days of vacation are allowed to be carried over according to the classified handbook.

Sick Leave

Certified Employees – The policy regarding sick leave is that all employees are allowed 10 days per year, accumulative to 60 or more days (could be from 60 to 70 days). The days not used for sick leave during that year above 60 days will be bought back at the end of the school year at a rate of $50 per day.

Classified Employees – Full-time employees are allowed 10 days per year, accumulative to 45 days. Upon termination of employment, no sick leave benefits will be paid out beyond the District's buy-back policy for certified personnel.

Sick Leave Pool – The sick leave pool is voluntary and open to all employees who receive sick leave from the District. The purpose of the sick leave pool is to allow staff members to contribute unused sick leave to a pool and allow participating members, who would otherwise have their pay reduced, draw from the pool and avoid having their pay reduced. Employees have until September 1st of each school year to deposit sick days to the bank. The number of sick leave days that can be drawn from the pool by one individual in any one fiscal year is limited to 20 percent of the days in the pool or 30 days, whichever is less. The number of sick leave days that can be drawn by all individuals is limited to the total days in the pool.

Personal Leave
Certified Employees – Each employee is allowed two days per year, accumulative to five days. At the end of the school year, the District will buy any accumulated personal days that exceed five days at a rate of $50 per day.

Classified Employees – Full-time employees are allowed two days personal leave per contract year. Each employee may accumulate personal leave to a maximum of five days. Employees may choose to redeem any or all at $40 per (8 hour) day.

NOTE 13 – LONG-TERM DEBT

Unified School District No. 355 Ellinwood, Kansas has the following type of long-term debt.

Lease Obligations
The District has entered into a lease agreement for equipment. The lease contains a fiscal funding clause.

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
Finance Lease									
HVAC System	4%	4/30/2019	$ 1,211,000	4/1/2023	$ 352,165	-	352,165	**-**	15,866

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Over (Under)
Governmental Type Funds						
General Funds						
General Fund	$ 4,322,461	(382,127)	22,645	3,962,979	**3,962,979**	-
Supplemental General Fund	1,426,439	(126,203)	141,503	1,441,739	**1,441,739**	-
Special Purpose Funds						
Capital Outlay Fund	783,522	-	-	783,522	**546,718**	(236,804)
Vocational Education Fund	400,000	-	-	400,000	**201,625**	(198,375)
Special Education Fund	950,007	-	-	950,007	**869,902**	(80,105)
Food Service Fund	490,000	-	-	490,000	**372,113**	(117,887)
Driver Training Fund	30,000	-	-	30,000	**12,430**	(17,570)
KPERS Retirement Contributions Fund	568,753	-	-	568,753	**498,717**	(70,036)
Professional Development Fund	77,388	-	-	77,388	**31,175**	(46,213)
At Risk (K-12) Fund	820,000	-	-	820,000	**666,850**	(153,150)
Grants Fund	100,000	-	-	100,000	**-**	(100,000)
Recreation Commission Fund	142,435	-	-	142,435	**108,241**	(34,194)
Bond and Interest Fund						
Bond and Interest Fund	157,005	-	-	157,005	**-**	(157,005)

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Mineral Severance Tax	$ 4,421	**9,858**	20,000	(10,142)
Intergovernmental Revenues				
State Special Education	569,423	**566,849**	662,686	(95,837)
Equalization Aid	3,368,388	**3,362,951**	3,639,099	(276,148)
Other State Aid	1,000	**3,000**	-	3,000
Reimbursed Expenses	18,635	**19,645**	-	19,645
Total Receipts	3,961,867	**3,962,303**	4,321,785	(359,482)
Expenditures				
Instruction	1,382,968	**1,499,952**	1,463,961	35,991
Student Support Services	29,247	**31,810**	-	31,810
Instructional Support Staff	371,246	**409,003**	265,000	144,003
General Administration	194,947	**203,965**	180,000	23,965
School Administration	272,714	**309,236**	420,000	(110,764)
Central Services	-	**-**	64,000	(64,000)
Operations and Maintenance	295,265	**248,840**	248,000	840
Student Transportation Services	47,049	**65,439**	49,500	15,939
Other Support Services	-	**-**	32,000	(32,000)
Transfers Out	1,367,755	**1,194,734**	1,600,000	(405,266)
Adjustment to Comply With Legal Max	-	**-**	(382,127)	382,127
Legal General Fund Budget	3,961,191	**3,962,979**	3,940,334	22,645
(a) Adjustment for Qualifying Budget Credits	-	**-**	22,645	(22,645)
Total Expenditures	3,961,191	**3,962,979**	3,962,979	-
Receipts Over (Under) Expenditures	676	**(676)**		
Unencumbered Cash - Beginning	-	**676**		
Unencumbered Cash - Ending	$ 676	**-**		

(a) Adjustment for Qualifying Budget Credits	
Reimbursed Expenses Over Amount Budgeted	$ 19,645
Other State Aid Over Amount Budgeted	3,000
Total	$ 22,645

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues	$ 704,581	**758,466**	786,593	(28,127)
Intergovernmental Revenues				
Supplemental General State Aid	573,340	**591,477**	648,887	(57,410)
Federal Aid	36,499	**30,437**	-	30,437
Reimbursements	66,040	**111,066**	-	111,066
Total Receipts	1,380,460	**1,491,446**	1,435,480	55,966
Expenditures				
Instruction	397,876	**374,368**	414,439	(40,071)
Student Support Services	24,127	**24,260**	20,000	4,260
General Administration	44,344	**39,646**	45,000	(5,354)
School Administration	25,088	**35,655**	27,000	8,655
Operations and Maintenance	472,066	**503,614**	450,000	53,614
Student Transportation Services	52,695	**63,647**	50,000	13,647
Transfers Out	400,439	**400,549**	420,000	(19,451)
Adjustment to Comply With Legal Max	-	**-**	(126,203)	126,203
Legal Supplemental General Fund Budget	1,416,635	**1,441,739**	1,300,236	141,503
(a) Adjustment for Qualifying Budget Credits	-	**-**	141,503	(141,503)
Total Expenditures	1,416,635	**1,441,739**	1,441,739	-
Receipts Over (Under) Expenditures	(36,175)	**49,707**		
Unencumbered Cash - Beginning	177,240	**141,065**		
Unencumbered Cash - Ending	$ 141,065	**190,772**		

(a) Adjustment for Qualifying Budget Credits

Reimbursements Over Amount Budgeted	$ 111,066
Federal Aid Over Amount Budgeted	30,437
Total	$ 141,503

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues	$ 265,174	**289,089**	246,468	42,621
Intergovernmental Revenues				
State Aid	75,360	**102,507**	102,608	(101)
Interest Income	14,979	**-**	-	-
Sale of Assets	13,434	**1,250**	-	1,250
Total Receipts	368,947	**392,846**	349,076	43,770
Expenditures				
Instruction	9,609	**2,513**	200,000	(197,487)
General Administration	-	**12,420**	100,000	(87,580)
Operations and Maintenance	524,905	**389,783**	380,000	9,783
Student Transportation	31,155	**-**	3,522	(3,522)
Student Activities	22,255	**22,602**	-	22,602
Facility Acquisition and Construction	39,590	**119,400**	100,000	19,400
Total Expenditures	627,514	**546,718**	783,522	(236,804)
Receipts Over (Under) Expenditures	(258,567)	**(153,872)**		
Unencumbered Cash - Beginning	693,012	**434,445**		
Unencumbered Cash - Ending	$ 434,445	**280,573**		

Schedule 2-4

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Transfers In	$ 263,857	**201,625**	400,000	(198,375)
Expenditures				
Instruction	261,091	**201,261**	387,000	(185,739)
Operations and Maintenance	2,766	**364**	13,000	(12,636)
Total Expenditures	263,857	**201,625**	400,000	(198,375)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Intergovernmental Revenues				
Federal Aid	$ 8,584	**27,870**	13,935	13,935
Transfers In	834,439	**696,190**	800,000	(103,810)
Total Receipts	843,023	**724,060**	813,935	(89,875)
Expenditures				
Instruction	785,469	**809,904**	888,007	(78,103)
Student Transportation Services	32,813	**59,998**	62,000	(2,002)
Total Expenditures	818,282	**869,902**	950,007	(80,105)
Receipts Over (Under) Expenditures	24,741	**(145,842)**		
Unencumbered Cash - Beginning	190,563	**215,304**		
Unencumbered Cash - Ending	$ 215,304	**69,462**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 3,095	**2,429**	2,224	205
Federal Aid	306,893	**343,255**	137,459	205,796
Adult and Student Sales	9,089	**915**	339,180	(338,265)
Other Income	227	**1,959**	-	1,959
Transfers In	27,790	**-**	-	-
Total Receipts	347,094	**348,558**	478,863	(130,305)
Expenditures				
Food Service Operation	331,230	**372,113**	490,000	(117,887)
Receipts Over (Under) Expenditures	15,864	**(23,555)**		
Unencumbered Cash - Beginning	42,208	**58,072**		
Unencumbered Cash - Ending	$ 58,072	**34,517**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 3,978	**4,514**	4,800	(286)
Student Fees	6,305	**4,740**	6,000	(1,260)
Total Receipts	10,283	**9,254**	10,800	(1,546)
Expenditures				
Instruction	11,579	**11,934**	27,000	(15,066)
Operations and Maintenance	1,441	**496**	3,000	(2,504)
Total Expenditures	13,020	**12,430**	30,000	(17,570)
Receipts Over (Under) Expenditures	(2,737)	**(3,176)**		
Unencumbered Cash - Beginning	42,329	**39,592**		
Unencumbered Cash - Ending	$ 39,592	**36,416**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
KPERS Retirement Contributions Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 449,607	**498,717**	568,753	(70,036)
Expenditures				
Instruction	279,253	**309,756**	335,753	(25,997)
Student Support Services	19,034	**21,119**	25,000	(3,881)
Instructional Support Staff	25,276	**28,040**	30,000	(1,960)
General Administration	11,208	**12,438**	20,000	(7,562)
School Administration	60,478	**67,086**	80,000	(12,914)
Central Services	-	**-**	8,000	(8,000)
Operations and Maintenance	26,944	**29,892**	35,000	(5,108)
Student Transportation Services	8,172	**9,060**	15,000	(5,940)
Student Activities	3,907	**4,332**	-	4,332
Food Service	15,335	**16,994**	20,000	(3,006)
Total Expenditures	449,607	**498,717**	568,753	(70,036)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 2,979	**-**	-	-
Transfers In	-	**28,182**	-	28,182
Total Receipts	2,979	**28,182**	-	28,182
Expenditures				
Instructional Support Staff	13,109	**31,175**	77,388	(46,213)
Receipts Over (Under) Expenditures	(10,130)	**(2,993)**		
Unencumbered Cash - Beginning	87,517	**77,387**		
Unencumbered Cash - Ending	$ 77,387	**74,394**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Contingency Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		728,539	**728,539**
Unencumbered Cash - Ending	$	728,539	**728,539**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Textbook Rental Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	**Current Year Actual**
Receipts			
Textbook Rental Fees	$	15,031	**15,950**
Transfers In		-	**2,436**
Total Receipts		15,031	**18,386**
Expenditures			
Textbook Purchases		28,474	**1,047**
Receipts Over (Under) Expenditures		(13,443)	**17,339**
Unencumbered Cash - Beginning		77,868	**64,425**
Unencumbered Cash - Ending	$	64,425	**81,764**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Title I, Part A Improving the Academic Achievement of Disadvantaged Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	79,774	**77,287**
Expenditures			
Instruction		79,774	**77,287**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Title II, Part A Teacher Quality Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	11,558	**10,006**
Expenditures			
Instruction		11,558	**10,006**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Title IV, Part A Student Support and Academic Enrichment Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	13,689	**13,784**
Expenditures			
Instruction		13,689	**13,784**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Federal Funds Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	**Current Year Actual**
Receipts		
Intergovernmental Revenues		
Federal Aid - SPARKS	$ 116,539	**-**
Federal Aid - KDHE	-	**14,127**
Federal Aid - ESSER	66,865	**267,554**
Total Receipts	183,404	**281,681**
Expenditures		
Instruction	66,865	**267,554**
Student Support Services	-	**14,127**
Total Expenditures	66,865	**281,681**
Receipts Over (Under) Expenditures	116,539	**-**
Unencumbered Cash - Beginning	(116,539)	**-**
Unencumbered Cash - Ending	$ -	**-**

Schedule 2-16

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
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 Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Transfers In	$ 642,108	**666,850**	820,000	(153,150)
Expenditures				
Instruction	637,569	**663,683**	710,000	(46,317)
Student Support Services	4,539	**3,167**	110,000	(106,833)
Total Expenditures	642,108	**666,850**	820,000	(153,150)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts	$ -	**-**	100,000	(100,000)
Expenditures	-	**-**	100,000	(100,000)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

Schedule 2-18

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes	$ 99,468	**108,241**	92,435	15,806
Other Revenue	-	**-**	50,000	(50,000)
Total Receipts	99,468	**108,241**	142,435	(34,194)
Expenditures				
Appropriations	115,094	**108,241**	142,435	(34,194)
Receipts Over (Under) Expenditures	(15,626)	**-**		
Unencumbered Cash - Beginning	15,626	**-**		
Unencumbered Cash - Ending	$ -	**-**		

Schedule 2-19

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues	$ 24,697	**1,544**	1,572	(28)
Expenditures				
Bond Fees	-	**-**	157,005	(157,005)
Receipts Over (Under) Expenditures	24,697	**1,544**		
Unencumbered Cash - Beginning	130,736	**155,433**		
Unencumbered Cash - Ending	$ 155,433	**156,977**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2022

Funds	Beginning Cash Balance	Receipts	Disbursements	**Ending Cash Balance**
High School				
Entrepreneurship	$ 413	-	360	**53**
Drama Club	263	-	263	**-**
National Honor Society	324	-	-	**324**
FFA	20,653	6,908	8,180	**19,381**
Kayette Club	1,108	985	1,131	**962**
Cheer - Spirit Squad	951	12,065	12,627	**389**
Stucco	2,036	1,968	1,470	**2,534**
Future Business Leaders of America	3,463	1,814	2,640	**2,637**
High School Band	4,151	343	169	**4,325**
Band Fundraisers	8,932	-	100	**8,832**
Mystic Blues	7,304	1,182	1,272	**7,214**
Vocational Agriculture	3,776	-	89	**3,687**
Vo-Ag Memorial Fund	1,492	705	-	**2,197**
Hope Tree Fund	484	-	-	**484**
Computer Technology	1,912	-	-	**1,912**
EHS After-Prom Organization	2,272	13,590	11,465	**4,397**
Social Committee	115	543	261	**397**
Book Rental	-	16,265	16,265	**-**
Class of 2021	2,712	-	300	**2,412**
Class of 2022	1,546	87	1,633	**-**
Class of 2023	-	3,377	2,380	**997**
Total High School	63,907	59,832	60,605	**63,134**
Grade School				
Student Success	6,534	2,531	2,198	**6,867**
Families	25	-	-	**25**
Measurement Day	543	-	398	**145**
Nature Center	477	-	-	**477**
Raised Beds	776	-	74	**702**
Santa's Workshop	144	-	-	**144**
Total Grade School	8,499	2,531	2,670	**8,360**
Insurance Clearing Fund	6,818	20,551	27,055	**314**
Total Agency Funds	$ 79,224	82,914	90,330	**71,808**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Gate Receipts	$ 300	-	22,433	22,733	**-**	-	**-**
Athletics	1,534	-	21,450	22,535	**449**	-	**449**
Concessions	35,015	-	62,735	61,529	**36,221**	-	**36,221**
Student Success	1,919	-	1,454	913	**2,460**	-	**2,460**
Kind-Nest	200	-	-	155	**45**	-	**45**
Activity - Miscellaneous	6,873	-	1,342	2,009	**6,206**	-	**6,206**
Library	11,868	-	3,188	2,472	**12,584**	-	**12,584**
Music Equipment	1,440	-	-	154	**1,286**	-	**1,286**
Technology Fund	182	-	200	177	**205**	-	**205**
Woodworking	5,211	-	2,618	4,916	**2,913**	-	**2,913**
Musical	5,195	-	2,143	453	**6,885**	-	**6,885**
Yearbook - High School/Middle School	-	-	7,615	7,615	**-**	-	**-**
Yearbook - Grade School	315	-	1,284	1,217	**382**	-	**382**
Bank Fees for Lunch Collections	95	-	1,297	1,197	**195**	-	**195**
GS Misc. Activity	12	-	462	284	**190**	-	**190**
GS Fees	927	-	13,585	9,755	**4,757**	-	**4,757**
Sunflower ABC's Program	3,660	-	1,797	511	**4,946**	-	**4,946**
Total District Activity Funds	$ 74,746	-	143,603	138,625	**79,724**	-	**79,724**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS

Single Audit Information

INDEPENDENT AUDITORS' 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*

To the Board of Education
Unified School District No. 355 Ellinwood, Kansas
Ellinwood, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* 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. 355 Ellinwood, Kansas**, as of and for the year ended June 30, 2022, and the related notes to the financial statement, and have issued our report thereon dated October 10, 2022. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, 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 statements, we considered **Unified School District No. 355 Ellinwood, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 355 Ellinwood, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 355 Ellinwood, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 355 Ellinwood, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 355 Ellinwood, Kansas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on **Unified School District No. 355 Ellinwood, Kansas'** response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Unified School District No. 355 Ellinwood, Kansas'** response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

Purpose of This Report

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

AdamsBrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

October 10, 2022

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

To the Board of Education
Unified School District No. 355 Ellinwood, Kansas
Ellinwood, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 355 Ellinwood, Kansas'** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 355 Ellinwood, Kansas'** major federal programs for the year ended June 30, 2022. **Unified School District No. 355 Ellinwood, 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. 355 Ellinwood, 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Unified School District No. 355 Ellinwood, Kansas** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Unified School District No. 355 Ellinwood, Kansas'** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **Unified School District No. 355 Ellinwood, Kansas'** federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Unified School District No. 355 Ellinwood, 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Unified School District No. 355 Ellinwood, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Unified School District No. 355 Ellinwood, 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. 355 Ellinwood, 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. 355 Ellinwood, 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.

Report on Internal Control over Compliance

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

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

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

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

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



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

October 10, 2022

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Schedule of Expenditures of Federal Awards
June 30, 2022

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education			
Direct Award			
Rural Education	84.358	N/A	$ 30,437
Passed Through State Department of Education			
Title I Grants to Local Educational Agencies (LEAs)	84.010	N/A	77,287
Supporting Effective Instruction State Grants	84.367	N/A	10,066
Student Support and Academic Enrichment Program	84.424	N/A	13,784
COVID-19 Funds - Education Stabilization Fund	84.425	N/A	295,424
Total U.S. Department of Education			426,998
U.S. Department of Agriculture			
Passed Through State Department of Education			
COVID-19 Funds - Pandemic EBT Administrative Costs	10.649	N/A	614
Child Nutrition Cluster			
School Breakfast Program (SBP)	10.553	N/A	52,494
National School Lunch Program (NSLP)	10.555	N/A	245,121
COVID-19 Funds - National School Lunch Program (NSLP)	10.555	N/A	969
Summer Food Service Program for Children (SFSP)	10.559	N/A	44,057
Total Child Nutrition Cluster			342,641
Total U.S. Department of Agriculture			343,255
U.S. Department of Health and Human Services			
Passed Through State Department of Education			
COVID-19 Funds - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	N/A	14,127
Total Expenditures of Federal Awards			$ **784,380**

Note - There were no awards made to subrecipients for the year ended June 30, 2022.

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 355 Ellinwood, Kansas,** and is presented on the basis of accounting that demonstrates compliance with the regulatory basis of accounting of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented 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* (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.

NOTE 3 – OTHER EXPENDITURES

The District did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees, and incurred no expenditures in relation thereof for the year ended June 30, 2022.

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statement was prepared in accordance with a special purpose framework that is not in compliance with GAAP:			Unmodified	
Internal control over financial reporting:				
• Material weakness identified?	X	Yes		No
• Significant deficiency identified?		Yes	X	None reported
• Noncompliance material to financial statements noted?		Yes	X	No

FEDERAL AWARDS

Internal control over major programs:				
• Material weakness identified?		Yes	X	No
• Significant deficiency identified?		Yes	X	None reported
Type of auditors' report issued on compliance for major programs:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?		Yes	X	No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
Child Nutrition Cluster	
10.553	School Breakfast Program (SBP)
10.555	National School Lunch Program (NSLP)
10.559	Summer Food Service Program for Children (SFSP)

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

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2022-001 – Segregation of Duties

Criteria or specific requirement
Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition
Proper segregation of duties does not exist in the accounting system.

Context
We determined, through inquiry and documentation of the District's internal controls, that there is a failure to properly segregate duties for the financial reporting process.

Cause
The District is unable to hire additional personnel due to its size.

Effect
Management may not become aware of problems or irregularities in a timely manner.

Recommendation
Procedures should be established and implemented to segregate duties in the receipts and expenditures cycles and strengthen internal controls. Also, involvement of the Board can mitigate the risk of errors or fraud. The Board should remain involved in the financial affairs of the District to provide oversight and independent review functions.

Views of responsible officials
See Corrective Action Plan.

2022-002 – Encumbrances

Criteria or specific requirement
Encumbrances are recognized when an outstanding commitment related to an unperformed contract for goods or services exists.

Condition
Purchase orders were not recorded as encumbrances at year end.

Context
During audit procedures, a material commitment was identified through the board minutes that should have been recorded as an encumbrance.

Cause
A purchase order was not created for the board approval that happened at year-end.

Effect
Expenses and liabilities were understated.

Recommendation
We recommend that the District review its controls in order to ensure that all purchase orders are properly recorded.

Views of responsible officials
See Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.

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

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2021-001 – Segregation of Duties

Condition
Proper segregation of duties does not exist in the accounting system.

Corrective Actions
The District implements segregation of duties wherever possible, given its size.

Status
Repeat Finding. See 2022-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No single audit for the year ended June 30, 2021.