UNIFIED SCHOOL DISTRICT NO. 470
ARKANSAS CITY, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2022

BFR

UNIFIED SCHOOL DISTRICT NO. 470
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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 470
Arkansas City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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.

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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. 470, Arkansas City, 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. 470, Arkansas City, 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:

- 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. 470, Arkansas City, 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 about the **Unified School District No. 470, Arkansas City, 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 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.

Board of Education
Unified School District No. 470

Unified School District No. 470, Arkansas City, Kansas' basic financial statement for the year ended June 30, 2021 (not presented herein), was audited by other auditors whose report dated May 6, 2022, expressed an unmodified opinion on the basic financial statement. The 2021 basic financial statement and the auditor's report 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 report of the other auditors dated May 6, 2022 stated that the individual fund schedule of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2021, was subjected to the auditing procedures applied in the audit of the June 30, 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 State of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023, on our consideration of **Unified School District No. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC
BFR CPA, LLC
February 15, 2023

UNIFIED SCHOOL DISTRICT NO. 470
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	$ 22,999,478	$ 22,999,478	$ 0	$ 50,415	$ 50,415
Special Purpose Funds							
Supplemental General	187,101	0	7,083,790	7,031,590	239,301	74,688	313,989
Preschool-Aged At-Risk	0	0	190,694	190,694	0	0	0
At Risk (K-12)	0	0	5,296,147	5,296,147	0	2,454	2,454
Bilingual Education	0	0	215,376	215,376	0	0	0
Virtual Education	0	0	114,283	114,283	0	0	0
Capital Outlay	1,454,458	0	2,097,579	2,038,677	1,513,360	687,663	2,201,023
Driver Training	23,437	0	19,372	5,609	37,200	0	37,200
Food Service	621,421	0	2,051,917	1,619,069	1,054,269	758	1,055,027
Professional Development	111,431	0	18,804	15,235	115,000	0	115,000
Summer School	48,028	0	10,763	8,791	50,000	0	50,000
Special Education	664,925	0	5,158,718	5,109,607	714,036	0	714,036
Career and Postsecondary Education	90,000	0	677,635	667,576	100,059	0	100,059
KPERS Special Retirement Contribution	0	0	2,888,409	2,888,409	0	0	0
Recreation Commission	26,422	0	634,693	645,000	16,115	0	16,115
Recreation Commission Employee Benefits & Special Liability	14,260	0	179,589	150,000	43,849	0	43,849
Federal Funds	(404,946)	0	4,297,501	4,003,992	(111,437)	49,387	(62,050)
Gifts and Grants	60,859	0	300,926	84,312	277,473	0	277,473
Contingency Reserve	225,000	0	75,000	0	300,000	0	300,000
Textbook & Student Material Revolving	300,000	0	113,108	112,104	301,004	0	301,004
District Activity Funds	108,034	0	475,273	487,566	95,741	24,113	119,854
Bond and Interest	5,441,274	0	6,625,758	6,757,856	5,309,176	0	5,309,176
	$ 8,971,704	$ 0	$ 61,524,813	$ 60,441,371	$ 10,055,146	$ 889,478	$ 10,944,624

Composition of Cash:	
Checking and Money Market Accounts	$ 10,750,858
Certificate of Deposit	74,036
Investments	409,846
	11,234,740
Agency Funds	(290,116)
	$ 10,944,624

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

UNIFIED SCHOOL DISTRICT NO. 470
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Unified School District No. 470 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Arkansas City, 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.

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 to the budget 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	Gifts and Grants Fund	Contingency Reserve Fund
Textbook & Student Material Revolving Fund		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 2 - In Substance Receipt in Transit:

The District received $1,211,892 subsequent to June 30, 2022, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

Note 3 - Defined Benefit Pension Plan:

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

Contributions
K.S.A. 74-4919 and K.S.A. 74-49,210 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 paymentsof $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 SenateBill 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 $2,888,409 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 $21,393,404. 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 4 - 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.

Note 5 - Subsequent Events:

The District has evaluated subsequent events through February 15, 2023, the date which the financial statement was available to be issued.

Note 6 - 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	Virtual Education	Driver Training	Food Service	Professional Development	Summer School	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material Revolving	Total
General Fund	$ 99,000	$ 4,213,282	$ 74,041	$ 39,283	$ 0	$ 1,299	$ 0	$ 0	$ 3,409,596	$ 0	$ 75,000	$ 0	$ 7,911,501
Supplemental General Fund	91,694	1,082,865	141,335	75,000	8,024	0	18,804	10,763	1,669,087	677,635	0	110,000	3,885,207
	$ 190,694	$ 5,296,147	$ 215,376	$ 114,283	$ 8,024	$ 1,299	$ 18,804	$ 10,763	$ 5,078,683	$ 677,635	$ 75,000	$ 110,000	$ 11,796,708

Note 7 - 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 8 - Deposits and Investments:

As of June 30, 2022, the District had the following investments and maturities:

Investment Type	Fair Value	Rating
Kansas Municipal Investment Pool	$ 409,846	N/A

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. The rating of the District's investments is noted above.

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. The District's allocation of investments as of June 30, 2022, is as follows:

Investment Type	Investments
Kansas Municipal Investment Pool	100%

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 $10,824,894 and the bank balance was $11,509,503. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $574,036 was covered by federal depository insurance and the remaining $10,935,467 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 eventof 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.

At June 30, 2022, the District had invested $409,846 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investments Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 9 - 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.

Paid Leave for Classified Employees

The District grants 12-month employees 2 weeks paid vacation. Vacation pay is figured on a 40-hour week, unless the employee's work week is less than 40 hours in which case it will be figured on the average hours worked. After 8 consecutive years employed by the District, 3 weeks paid vacation will be granted. No vacation days will be carried forward beyond June 30 of the year following the one in which the vacation days were accrued. No vacation days will be paid upon termination or retirement.

The District grants various positions paid leave days at the rate of 1 day per month: 12-month employees receive 12 days per year, and other full-time employees receive 9 days per year. No paid leave days will be paid upon termination or retirement for classified employees.

Paid Leave for Certified Employees

The District grants each full-time teacher 12 paid leave days per year, accumulative to 90 days. Half-time teachers will be granted the same number of half days of paid leave as full-time teachers are granted full days of paid leave. Teachers working other than full time or half-time shall be granted a prorated number of paid leave days. If a teacher is on extended contract, they will be granted 1 additional day of paid leave for each month beyond the regular 9-month contract. All leave days per contract year may be used for either personal or paid leave. At the end of each contracted school year, the full-time teacher who has an accumulated paid leave in excess of 78 days shall receive $100.00 per day for each unused day of paid leave accumulated. At the time of retirement, a teacher shall be compensated for all days of unused accumulated paid leave at the rate of $100.00 per day.

Early Retirement

The District provides an early retirement/phase-out option plan to administrators and certified staff. A teacher is eligible for the phase-out option if such employee was employed as a full-time teacher in a certified position by the District during the 2019-2020 contract year. A certified employee is eligible for early retirement if such employee is not more than the age to receive full social security benefits the year that early retirement benefits would begin, will simultaneously be drawing retirement benefits from KPERS, and meets 1 of the 3 sets of requirements listed below:

1. Has 20 or more years of service with the District and has accumulated 85 service points as defined by the Kansas Public Employees' Retirement System. The benefits will not exceed 6 payments.

2. Is 55 years of age, inclusive, on July 1 of the year that early retirement benefits would begin, has at least 10 years of experience with the District, and has accumulated 85 service points as defined by the Kansas Public Employees' Retirement System. The benefits will not exceed 6 payments.

3. Is 60 years of age, inclusive, on July 1 of the year that early retirement benefits would begin, has 10 or more years of service with the District, and was on contract prior to the 2008-2009 school year.

The early retirement benefits paid to an eligible employee are as follows:

1. An eligible employee with 20 or more years of service to the District will receive an annual stipend of $5,000 through the school year in which he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

2. An eligible employee age 55, inclusive, with at least 15 years of service with the District will receive an annual stipend of $4,000 through the school year inwhich he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

3. An eligible employee age 55, inclusive, with at least 10 years of service to the District will receive an annual stipend of $3,000 through the school year in which he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

The District recorded expenditures for early retirement benefits of $86,500 for fourteen former employees for the year ended June 30, 2022.

Note 10 - Advance Refunding of Bond Obligation:

On December 30, 2020, the District issued $14,730,000 of General Obligation Bonds Series 2020 with interest rates ranging from 0.3% to 0.9%. This bond will refund $8,385,000 of General Obligation Bond Series 2012 of maturities to be redeemed September 1, 2022. This bond will refund $5,170,000 of General Obligation Bond Series 2013 of maturities to be redeemed September 1, 2023. As of June 30, 2022, $8,385,000 and $5,170,000 respectively of the 2012 and 2013 bonds outstanding are considered defeased and are not included in long-term debt below.

Note 11 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

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	2.45 - 4.75	12/27/2012	$ 8,960,000	9/1/2027
2013 Series	2.49 - 4.60	4/19/2013	$ 9,555,000	9/1/2028
2014 Series	2.00 - 4.00	7/24/2014	$ 9,300,000	9/1/2025
2015 Series	2.00 - 4.00	4/30/2015	$ 8,135,000	9/1/2023
2020 Series	0.30 - 0.90	12/30/2020	$ 14,730,000	9/1/2025

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	$ 415,000	$ 0	$ 80,000	$ 335,000	$ 7,050
2013 Series	4,110,000	0	140,000	3,970,000	85,212
2014 Series	6,810,000	0	2,710,000	4,100,000	170,732
2015 Series	6,100,000	0	0	6,100,000	206,500
2020 Series	14,730,000	0	3,280,000	11,450,000	78,350
	$ 32,165,000	$ 0	$ 6,210,000	$ 25,955,000	$ 547,844

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
2023	$ 6,300,000	$ 428,321	$ 6,728,321
2024	6,425,000	304,569	6,729,569
2025	6,550,000	175,624	6,725,624
2026	6,680,000	54,789	6,734,789
	$ 25,955,000	$ 963,303	$ 26,918,303

REGULATORY REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 470
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	$ 23,850,648	$ (984,189)	$ 133,019	$ 22,999,478	$ 22,999,478	$ 0
Special Purpose Funds						
Supplemental General	7,308,520	(276,930)	0	7,031,590	7,031,590	0
Preschool-Aged At-Risk	198,200	0	0	198,200	190,694	(7,506)
At Risk (K-12)	5,920,947	0	0	5,920,947	5,296,147	(624,800)
Bilingual Education	238,550	0	0	238,550	215,376	(23,174)
Virtual Education	275,000	0	0	275,000	114,283	(160,717)
Capital Outlay	3,093,970	0	0	3,093,970	2,038,677	(1,055,293)
Driver Training	17,050	0	0	17,050	5,609	(11,441)
Food Service	1,619,069	0	0	1,619,069	1,619,069	0
Professional Development	111,430	0	0	111,430	15,235	(96,195)
Summer School	48,028	0	0	48,028	8,791	(39,237)
Special Education	5,292,984	0	0	5,292,984	5,109,607	(183,377)
Career and Postsecondary Education	680,250	0	0	680,250	667,576	(12,674)
KPERS Special Retirement Contribution	3,304,643	0	0	3,304,643	2,888,409	(416,234)
Recreation Commission	645,000	0	0	645,000	645,000	0
Recreation Commission Employee Benefits & Special Liability	150,000	0	0	150,000	150,000	0
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	4,003,992	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	84,312	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	112,104	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	487,566	XXXXXXXXXX
Bond and Interest	6,758,094	0	0	6,758,094	6,757,856	(238)
	$ 59,512,383	$ (1,261,119)	$ 133,019	$ 58,384,283	$ 60,441,371	$ (2,630,886)

UNIFIED SCHOOL DISTRICT NO. 470
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)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 125,856	$ 133,019	$ 0	$ 133,019
State Sources	22,078,322	22,866,459	2,385,648	20,480,811
	22,204,178	22,999,478	$ 2,385,648	$ 20,613,830
Expenditures				
Instruction	9,657,938	8,863,478	$ 8,640,918	$ 222,560
Student Support Services	679,786	734,593	604,903	129,690
Instructional Support Staff	1,399,864	1,512,883	1,281,502	231,381
General Administration	624,229	599,566	642,955	(43,389)
School Administration	1,669,842	1,750,169	1,568,752	181,417
Central Services	119,448	135,024	104,105	30,919
Operations & Maintenance	894,273	575,266	1,006,101	(430,835)
Student Transportation Services	841,403	900,316	742,999	157,317
Other Support Services	10,857	0	11,183	(11,183)
Community Services Operations	0	16,682	10,000	6,682
Transfers	6,306,538	7,911,501	9,237,230	(1,325,729)
Adjustment to Comply with Legal Max	0	0	(984,189)	984,189
Adjustment for Qualifying Budget Credits	0	0	133,019	(133,019)
	22,204,178	22,999,478	$ 22,999,478	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,710,060	$ 1,681,815	$ 1,517,576	$ 164,239
County Sources	215,116	220,396	218,195	2,201
State Sources	4,933,998	5,181,579	5,385,648	(204,069)
	6,859,174	7,083,790	$ 7,121,419	$ (37,629)
Expenditures				
Instruction	41,209	33,000	$ 459,105	$ (426,105)
Student Support Services	0	0	40,000	(40,000)
Instructional Support Staff	0	0	100,500	(100,500)
General Administration	0	0	67,500	(67,500)
Operations & Maintenance	2,775,465	2,786,289	3,140,500	(354,211)
Other Support Services	55,473	657	70,000	(69,343)
Facility Acquisition & Construction Services	0	326,437	3,380,915	(3,054,478)
Transfers	3,799,926	3,885,207	50,000	3,835,207
Adjustment to Comply with Legal Max	0	0	(276,930)	276,930
	6,672,073	7,031,590	$ 7,031,590	$ 0
Receipts Over (Under) Expenditures	187,101	52,200		
Unencumbered Cash, Beginning	0	187,101		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 187,101	$ 239,301		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Preschool-Aged At-Risk Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 192,370	$ 190,694	$ 198,200	$ (7,506)
	192,370	190,694	$ 198,200	$ (7,506)
Expenditures				
Instruction	192,370	190,694	$ 198,200	$ (7,506)
	192,370	190,694	$ 198,200	$ (7,506)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
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)

At Risk (K-12) Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 4,186,770	$ 5,296,147	$ 5,920,947	$ (624,800)
	4,186,770	5,296,147	$ 5,920,947	$ (624,800)
Expenditures				
Instruction	4,186,770	5,295,072	$ 5,450,847	$ (155,775)
Student Support Services	0	0	66,000	(66,000)
Instructional Support Staff	0	0	134,500	(134,500)
School Administration	0	0	121,500	(121,500)
Central Services	0	0	15,100	(15,100)
Student Transportation Services	0	1,075	133,000	(131,925)
	4,186,770	5,296,147	$ 5,920,947	$ (624,800)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 223,450	$ 215,376	$ 238,550	$ (23,174)
	223,450	215,376	$ 238,550	$ (23,174)
Expenditures				
Instruction	223,450	215,376	$ 238,550	$ (23,174)
	223,450	215,376	$ 238,550	$ (23,174)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 0	$ 114,283	$ 275,000	$ (160,717)
	0	114,283	$ 275,000	$ (160,717)
Expenditures				
Instruction	0	114,283	$ 275,000	$ (160,717)
	0	114,283	$ 275,000	$ (160,717)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,237,050	$ 1,337,730	$ 836,202	$ 501,528
County Sources	107,267	106,345	106,669	(324)
State Sources	579,910	653,504	661,763	(8,259)
	1,924,227	2,097,579	$ 1,604,634	$ 492,945
Expenditures				
Instruction	0	317,897	$ 226,022	$ 91,875
Student Support Services	0	1,367	0	1,367
Instructional Support Staff	106,012	462,743	500,000	(37,257)
General Administration	0	0	20,000	(20,000)
School Administration	0	0	10,000	(10,000)
Central Services	0	0	0	0
Operations & Maintenance	49,575	34,186	660,947	(626,761)
Other Support Services	486,691	57,909	320,000	(262,091)
Facility Acquisition & Construction Services	842,707	1,164,575	1,357,001	(192,426)
	1,484,985	2,038,677	$ 3,093,970	$ (1,055,293)
Receipts Over (Under) Expenditures	439,242	58,902		
Unencumbered Cash, Beginning	1,015,216	1,454,458		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,454,458	$ 1,513,360		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 4,080	$ 7,200	$ 0	$ 7,200
State Sources	0	4,148	4,080	68
Transfers	0	8,024	10,000	(1,976)
	4,080	19,372	$ 14,080	$ 5,292
Expenditures				
Instruction	5,151	5,275	$ 16,300	$ (11,025)
Operations & Maintenance	0	334	750	(416)
	5,151	5,609	$ 17,050	$ (11,441)
Receipts Over (Under) Expenditures	(1,071)	13,763		
Unencumbered Cash, Beginning	24,508	23,437		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 23,437	$ 37,200		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Food Service Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 46,029	$ 59,105	$ 258,487	$ (199,382)
State Sources	10,003	12,509	9,768	2,741
Federal Sources	1,047,114	1,979,004	1,203,763	775,241
Transfers	1,178	1,299	1,200	99
	1,104,324	2,051,917	$ 1,473,218	$ 578,699
Expenditures				
Operations & Maintenance	10,297	24,027	$ 25,450	$ (1,423)
Food Service Operation	1,060,061	1,595,042	1,593,619	1,423
	1,070,358	1,619,069	$ 1,619,069	$ 0
Receipts Over (Under) Expenditures	33,966	432,848		
Unencumbered Cash, Beginning	587,455	621,421		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 621,421	$ 1,054,269		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 800	$ 0	$ 0	$ 0
Transfers	50,000	18,804	0	18,804
	50,800	18,804	$ 0	$ 18,804
Expenditures				
Instructional Support Staff	5,567	15,235	$ 111,430	$ (96,195)
	5,567	15,235	$ 111,430	$ (96,195)
Receipts Over (Under) Expenditures	45,233	3,569		
Unencumbered Cash, Beginning	66,198	111,431		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 111,431	$ 115,000		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Summer School Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 0	$ 10,763	$ 0	$ 10,763
	0	10,763	$ 0	$ 10,763
Expenditures				
Instruction	3,948	8,791	$ 39,728	$ (30,937)
School Administration	0	0	8,300	(8,300)
	3,948	8,791	$ 48,028	$ (39,237)
Receipts Over (Under) Expenditures	(3,948)	1,972		
Unencumbered Cash, Beginning	51,976	48,028		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 48,028	$ 50,000		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Federal Sources	$ 54,972	$ 80,035	$ 0	$ 80,035
Transfers	4,791,347	5,078,683	5,262,813	(184,130)
	4,846,319	5,158,718	$ 5,262,813	$ (104,095)
Expenditures				
Instruction	4,775,039	5,049,275	$ 5,191,134	$ (141,859)
Student Transportation Services	76,569	60,332	101,850	(41,518)
	4,851,608	5,109,607	$ 5,292,984	$ (183,377)
Receipts Over (Under) Expenditures	(5,289)	49,111		
Unencumbered Cash, Beginning	670,214	664,925		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 664,925	$ 714,036		

UNIFIED SCHOOL DISTRICT NO. 470
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 Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 573,043	$ 677,635	$ 590,250	$ 87,385
	573,043	677,635	$ 590,250	$ 87,385
Expenditures				
Instruction	566,394	667,576	$ 680,250	$ (12,674)
	566,394	667,576	$ 680,250	$ (12,674)
Receipts Over (Under) Expenditures	6,649	10,059		
Unencumbered Cash, Beginning	83,351	90,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 90,000	$ 100,059		

UNIFIED SCHOOL DISTRICT NO. 470
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)

KPERS Special Retirement Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 2,731,110	$ 2,888,409	$ 3,304,643	$ (416,234)
	2,731,110	2,888,409	$ 3,304,643	$ (416,234)
Expenditures				
Instruction	1,853,099	1,943,541	$ 2,054,000	$ (110,459)
Student Support Services	123,104	142,051	178,000	(35,949)
Instructional Support Staff	160,946	169,577	214,000	(44,423)
General Administration	73,263	73,346	129,000	(55,654)
School Administration	191,448	211,317	249,000	(37,683)
Central Services	13,509	14,490	47,500	(33,010)
Operations & Maintenance	192,961	202,819	249,000	(46,181)
Student Transportation Services	99,234	104,032	143,500	(39,468)
Food Service Operation	23,546	27,236	40,643	(13,407)
	2,731,110	2,888,409	$ 3,304,643	$ (416,234)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
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 Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 513,685	$ 561,168	$ 545,928	$ 15,240
County Sources	76,428	73,525	72,649	876
	590,113	634,693	$ 618,577	$ 16,116
Expenditures				
Community Service Operations	576,200	645,000	$ 645,000	$ 0
	576,200	645,000	$ 645,000	$ 0
Receipts Over (Under) Expenditures	13,913	(10,307)		
Unencumbered Cash, Beginning	12,509	26,422		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 26,422	$ 16,115		

UNIFIED SCHOOL DISTRICT NO. 470
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 & Special Liability Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 158,532	$ 157,171	$ 146,641	$ 10,530
County Sources	23,715	22,418	22,056	362
	182,247	179,589	$ 168,697	$ 10,892
Expenditures				
Community Service Operations	180,000	150,000	$ 150,000	$ 0
	180,000	150,000	$ 150,000	$ 0
Receipts Over (Under) Expenditures	2,247	29,589		
Unencumbered Cash, Beginning	12,013	14,260		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 14,260	$ 43,849		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Bond and Interest Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$15,979,496	$ 1,415,770	$ 1,314,481	$ 101,289
County Sources	236,027	209,183	207,050	2,133
State Sources	2,566,418	5,000,805	5,000,805	0
	18,781,941	6,625,758	$ 6,522,336	$ 103,422
Expenditures				
Debt Service	18,099,179	6,757,856	$ 6,758,094	$ (238)
	18,099,179	6,757,856	$ 6,758,094	$ (238)
Receipts Over (Under) Expenditures	682,762	(132,098)		
Unencumbered Cash, Beginning	4,758,512	5,441,274		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 5,441,274	$ 5,309,176		

UNIFIED SCHOOL DISTRICT NO. 470
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)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 7,212	$ 5,233
Federal Sources	3,961,503	4,292,268
	3,968,715	4,297,501
Expenditures		
Instruction	3,241,175	3,422,465
Student Support Services	920,379	165,016
Instructional Support Staff	0	89,553
General Administration	395	88,425
School Administration	0	144,596
Operations & Maintenance	0	37,133
Student Transportation Services	0	52,250
Food Service Operations	4,095	4,554
	4,166,044	4,003,992
Receipts Over (Under) Expenditures	(197,329)	293,509
Unencumbered Cash, Beginning	(207,617)	(404,946)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (404,946)	$ (111,437)

UNIFIED SCHOOL DISTRICT NO. 470
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	$ 25,547	$ 300,926
State Sources	18,750	0
Federal Sources	33,763	0
	78,060	300,926
Expenditures		
Instruction	98,601	34,365
Instruction Support Staff	0	49,947
	98,601	84,312
Receipts Over (Under) Expenditures	(20,541)	216,614
Unencumbered Cash, Beginning	81,400	60,859
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 60,859	$ 277,473

UNIFIED SCHOOL DISTRICT NO. 470
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	$ 35,616	$ 75,000
	35,616	75,000
Expenditures		
Transfers	0	0
	0	0
Receipts Over (Under) Expenditures	35,616	75,000
Unencumbered Cash, Beginning	189,384	225,000
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 225,000	$ 300,000

UNIFIED SCHOOL DISTRICT NO. 470
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 Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 5,101	$ 3,108
Transfers	81,942	110,000
	87,043	113,108
Expenditures		
Instruction	51,993	96,241
Student Support Services	12,463	15,863
	64,456	112,104
Receipts Over (Under) Expenditures	22,587	1,004
Unencumbered Cash, Beginning	277,413	300,000
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 300,000	$ 301,004

UNIFIED SCHOOL DISTRICT NO. 470
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
High School				
Prom	$ 9,403	$ 5,453	$ 8,932	$ 5,924
ACHS Native American Club	516	0	0	516
Musical	(1,497)	9,862	7,444	921
A.C. Players Club	742	0	776	(34)
A.C. Tennis Club	623	1,939	2,141	421
JAG	22	0	0	22
Spring Play	(711)	1,490	1,407	(628)
Basketball Club	922	8,885	8,713	1,094
ACHS Spike Ball Club	61	493	0	554
Multicultural Club	1,092	0	0	1,092
Cheerleaders	4,038	12,374	9,307	7,105
21st Century Leadership	196	0	77	119
Restoration Fund	100	0	0	100
FCA	3,249	500	458	3,291
Golf Club	2,915	515	1,555	1,875
Weight Lifting	230	2,583	1,395	1,418
In Housing Training	8,388	5,163	8,582	4,969
Kay's	17	2,164	1,673	508
NFL	1,380	0	171	1,209
NHS	(898)	1,140	75	167
Orchestra	0	0	0	0
ACHS Danceline	1,956	4,958	6,019	895
Cross Country	1,242	2,089	682	2,649
SADD	7,766	0	0	7,766
DAWGS 4 DAWGS	48	0	0	48
Special Ed Club	2	0	0	2
Stuco	1,207	7,868	6,069	3,006
Track Club	1,195	5,432	3,649	2,978
	44,204	72,908	69,125	47,987

UNIFIED SCHOOL DISTRICT NO. 470
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
High School (Continued)				
Skills USA/VICA	751	6,670	5,799	1,622
Usherettes	5	0	0	5
Vocal Music	6,321	7,137	5,812	7,646
Girls Soccer Club	1,964	1,963	3,574	353
French Club	172	0	0	172
Volleyball Club	3,193	2,286	1,501	3,978
Flag Color Guard	560	1,245	689	1,116
Community Base Instruction	12	0	0	12
Bill Weston Woods Memorial	224	0	0	224
Girls Softball Club	2,191	4,758	3,911	3,038
Baseball Club	1,772	11,609	7,599	5,782
Industrial Tech SMA	0	2,489	2,489	0
Returned Checks	17	0	0	17
Bull Live	324	0	0	324
Health Sciences Club	1,324	0	0	1,324
Animation Club	949	0	0	949
Wrestling	2,943	10,504	9,386	4,061
Football	4,722	11,944	5,217	11,449
ACHS Travel Club	498	0	0	498
Boys Soccer Club	874	925	446	1,353
FCCLA	285	140	60	365
FBLA	2,332	0	0	2,332
Girls Basketball Club	4,921	7,825	7,088	5,658
Bulldog Band Club	5,642	17,810	16,875	6,577
Freshman Academy	1,996	0	110	1,886
Gay/Straight Alliance	650	0	0	650
Class of 2020	1,346	0	0	1,346
Class of 2017	952	0	0	952
Class of 2015	205	0	0	205
Class of 2016	1,242	0	0	1,242
	48,387	87,305	70,556	65,136

UNIFIED SCHOOL DISTRICT NO. 470
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
High School (Continued)				
Class of 2019	1,841	0	0	1,841
Class of 2008	4,457	0	0	4,457
Class of 2013	357	0	0	357
Class of 2018	1,403	0	0	1,403
Class of 2021	1,691	0	0	1,691
Class of 2022	2,071	898	1,740	1,229
Class of 2010	218	0	0	218
Class of 2023	3,435	(1,220)	0	2,215
Class of 2009	0	2,229	0	2,229
Driver Education	0	7,200	7,200	0
Purple Pride	3,569	0	0	3,569
Historical Room	369	0	0	369
Horticulture	1,547	171	969	749
School Counts	835	0	0	835
Student Benevolence	71	0	0	71
Arklight	466	0	202	264
FFA	13,970	55,032	56,682	12,320
Mirror	801	5,412	3,994	2,219
Sales Tax	2,252	16,240	16,311	2,181
Iden Memorial	3,509	2	0	3,511
Jackson Memorial	914	1	0	915
Home Economics Scholarship	898	0	0	898
Industrial Tech Scholarship	10,198	6	0	10,204
Kayettes Scholarship	20	0	0	20
Childers/Blatchford FFA	16,506	9	0	16,515
Amos & Mary Davis Scholarsh	1	0	0	1
Jodi Sanderholm	8	1,000	1,000	8
Rhett Lathers M	0	8,015	0	8,015
Welding SMA	0	620	620	0
Music Festival	0	2,999	2,147	852
	163,998	258,827	230,546	192,279

UNIFIED SCHOOL DISTRICT NO. 470
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
Middle School				
Cheerleaders	980	0	434	546
Instrument Rent Fees	450	0	0	450
Home Ec. Beef Account	2,229	0	2,229	0
Kay's Account	388	12,594	12,329	653
Lost PE Locks	1,417	100	295	1,222
Art Club	2	0	0	2
Miscellaneous Account	1,250	400	0	1,650
Music Instrumental/Vocal	681	25	9	697
Parent Group	51	0	0	51
7th/8th Grade Sewing Kits	955	1,190	1,635	510
Student Activities	803	0	0	803
Student Council	2,471	3,629	4,295	1,805
Crimestoppers Program	174	0	0	174
Library Book Fairs	142	399	184	357
Principal's Activity Fund	5,543	8,131	9,444	4,230
FCA	1,553	2,350	813	3,090
Student Welfare Account	1,027	0	80	947
Orchestra	1,437	0	1,045	392
SADD	5,336	0	3,419	1,917
Faculty Fund	123	0	60	63
Athletics	973	7,450	6,951	1,472
Sales Tax	(1,049)	1,709	1,753	(1,093)
	26,936	37,977	44,975	19,938
Endowment Funds	77,419	8,501	8,021	77,899
Total Agency Funds	$ 268,353	$ 305,305	$ 283,542	$ 290,116

UNIFIED SCHOOL DISTRICT NO. 470
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
Arkansas City High School							
Activities	$ 102,826	$ 0	$ 334,634	$ 331,939	$ 105,521	$ 5,002	$ 110,523
Athletics	3,992	0	140,639	155,499	(10,868)	19,111	8,243
Library Copies	1,216	0	0	128	1,088	0	1,088
Total District Activity Funds	$ 108,034	$ 0	$ 475,273	$ 487,566	$ 95,741	$ 24,113	$ 119,854

FEDERAL AWARD INFORMATION

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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. 470
Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, Kansas'** basic financial statement, and have issued our report thereon dated February 15, 2023. 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. 470, Arkansas City, 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. 470, Arkansas City, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 470, Arkansas City, 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.

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Board of Education
Unified School District No. 470

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. 470, Arkansas City, 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
February 15, 2023

BFR

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. 470
Arkansas City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 470, Arkansas City, 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. 470, Arkansas City, Kansas'** major federal programs for the year ended **June 30, 2022**. **Unified School District No. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, Kansas'** compliance with the compliance requirements referred to above.

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Board of Education
Unified School District No. 470

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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470

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
February 15, 2023

UNIFIED SCHOOL DISTRICT NO. 470
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
Department of Health and Human Services						
Head Start Cluster-Cluster						
Head Start	93.600	$ 1,657,468	$ (45,106)	$ 1,660,159	$ 1,657,468	$ (42,415)
(Passes Through Kansas Department of Education)						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	371,537	0	371,537	371,537	0
National School Lunch Program	10.555	1,285,213	0	1,285,214	925,279	359,935
Summer Food Service Program for Children	10.559	318,905	0	318,905	318,905	0
		1,975,655	0	1,975,656	1,615,721	359,935
Child and Adult Care Food Program	10.558	3,348	0	3,348	3,348	0
		1,979,003	0	1,979,004	1,619,069	359,935
Department of Education						
Title I Grants to Local Educational Agencies	84.010	746,350	0	746,350	746,350	0
Career and Technical Education - Basic Grants to States	84.048	30,902	0	30,902	30,902	0
English Language Acquisition State Grants	84.365	47,307	0	47,307	47,307	0
Supporting Effective Instruction State Grant	84.367	105,976	0	105,976	105,976	0
Student Support and Academic Enrichment Program	84.424	56,628	0	56,628	56,628	0
COVID-19 Education Stabilization Fund	84.425D	1,410,359	(354,276)	1,695,612	1,410,358	(69,022)
		2,397,522	(354,276)	2,682,775	2,397,521	(69,022)
Department of Health and Human Services						
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	4,369	0	4,369	4,369	0
Every Student Succeeds Act/Preschool Development Grants	93.434	19,187	(5,813)	25,000	19,187	0
		23,556	(5,813)	29,369	23,556	0
Total Federal Awards		$ 6,057,549	$ (405,195)	$ 6,351,307	$ 5,697,614	$ 248,498

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 470
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. 470, Arkansas City, 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. 470
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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, 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. 470, Arkansas City, Kansas**.

7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
COVID-19 Education Stabilization Fund	84.425D

8. The threshold for distinguishing Types A and B programs was $750,000.

9. **Unified School District No. 470, Arkansas City, Kansas**, was determined not to be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

There are no prior audit findings.