

USD 400 SMOKY VALLEY

Lindsborg, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2022

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
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February 28, 2023

Board of Education
USD 400 - Smoky Valley
Lindsborg, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of USD 400 - Smoky Valley (the District), as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), KMAAG 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 audits. 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 the 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 KMAAG, 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 A 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 KMAAG as described in Note A; this includes determining regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. 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 A.

Supplementary Information (Continued)

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated November 5, 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 website 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 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 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, 2022, on the basis of accounting described in Note A.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. 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 is presented for purposes of additional analysis 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2023, 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	\$ -	\$ -	\$ 7,522,457	\$ 7,522,417	\$ 40	51,556	\$ 51,596
Supplemental General	211,935	-	2,122,006	2,204,749	129,192	-	129,192
Special Purpose Funds							
Budgeted							
Preschool-Aged At-Risk	54,887	-	73,903	45,242	83,548	-	83,548
At-Risk (K-12)	90,053	-	446,656	465,954	70,755	-	70,755
Bilingual Education	15,431	-	882	7,487	8,826	-	8,826
Virtual Education	94,644	-	596,859	616,068	75,435	-	75,435
Capital Outlay	1,125,164	-	1,012,342	1,086,546	1,050,960	143,121	1,194,081
Driver Training	31,191	-	12,007	15,602	27,596	-	27,596
Food Service	106,553	-	483,750	435,027	155,276	11,383	166,659
Professional Development	48,771	-	-	16,597	32,174	-	32,174
Special Education	820,215	-	1,578,515	1,846,929	551,801	-	551,801
Career and Postsecondary Education	152,852	-	257,898	328,730	82,020	-	82,020
KPERS Special Retirement Contribution	-	-	824,693	824,693	-	-	-
Non-Budgeted							
Title I Low Income	-	-	83,267	83,267	-	-	-
Title II-A Improve Teacher Quality	-	-	36,782	36,782	-	-	-
Title IV-A Student Support & Academic Enrich.	-	-	14,001	14,001	-	-	-
Contingency Reserve	1,174,296	-	-	(17,759)	1,192,055	-	1,192,055
Textbook and Student Material Revolving	73,965	-	67,028	47,536	93,457	871	94,328
Gift and Grants	30	-	151,709	93,665	58,074	-	58,074
District activity funds	-	-	35,976	35,976	-	-	-
Trane HVAC	-	-	4,627,506	1,611,951	3,015,555	-	3,015,555
ESSER II	-	-	229,992	266,238	(36,246)	-	(36,246)
KDHE COVID Grant	-	-	63,754	69,465	(5,711)	-	(5,711)

(Continued)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Trust Funds							
St Stephen's	26,425	-	31,900	29,874	28,451	-	28,451
Trust Fund	155,372	-	20,529	129,464	46,437	-	46,437
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,181,784</u>	<u>\$ -</u>	<u>\$ 20,294,412</u>	<u>\$ 17,816,501</u>	<u>\$ 6,659,695</u>	<u>\$ 206,931</u>	<u>\$ 6,866,626</u>

Composition of Cash

Bank deposits - Non-interest bearing	\$ 201,523
Bank deposits - Interest bearing	5,011,876
Kansas Municipal Investment Pool	1,817,871
Cash on hand	7,300
Total Cash	<u>\$ 7,038,570</u>
Less: Agency funds per Schedule 3	<u>(171,944)</u>
Total Reporting Entity (Excluding Agency Funds)	<u><u>\$ 6,866,626</u></u>

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2022

Note A: Summary of Significant Accounting Policies

USD 400 Smoky Valley (the District) is a municipal corporation governed by an elected seven member board. The financial statement includes the District only.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. 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 District could have the following types of funds:

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

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.

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

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.

Agency Fund -- used to report assets held by the District in a purely custodial capacity.

Trust Fund -- funds used to report assets held in trust for the benefit of the District financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

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

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

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2022

Note B: 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) and bond and interest funds. 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the 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 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 ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment to Comply with Legal Max - Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

Adjustment for Qualifying Budget Credits - Districts may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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 budget expenditure authority lapses at year end.

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

Title I - Low Income	Gifts & Grants
Title II-A Improve Teacher Quality	Textbook & Student Material Revolving
Title IV-A Stud. Supp. & Acad. Enrich.	Trane HVAC
Contingency Reserve	Payroll Clearing
District Activity Funds	ESSER II
Covid Grant	

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

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2022

Note C: Deposits and Investments

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

Investment Type	Fair Value	Investment Maturities (in Years)		Rating U.S.
		Less than 1	1 - 2	
Kansas Municipal Investment Pool	\$ 1,817,871	\$ 1,817,871	\$ -	S&P AA+/S1+

K.S.A. 9-1401 established 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 or depository risk.

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2022, is as follows:

Investment	Percentage of 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 not be returned to it. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2022.

At June 30, 2022, the carrying amount of the District's bank deposits was \$5,213,399. The bank balance was \$6,115,184. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$500,000 was secured by FDIC insurance and the remaining \$5,615,184 was collateralized by bank pledged securities with a fair market value of \$7,273,003.

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.

At June 30, 2022, the District had invested \$1,817,871 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment 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 of, or 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 D: In-Substance Payments

The District received \$278,026 for general fund and \$50,348 for supplemental general fund subsequent to June 30, 2022, and as required by K.S.A. 72-5135(d), the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2022

Note E: Interfund Transfers

The District made the following operating transfers which were approved by the Board of Education.

Fund From	Fund To	Authority	Amount
General fund	Virtual Education	K.S.A. 72-5167	\$ 328,342
General fund	Special Education	K.S.A. 72-5167	1,413,298
General fund	At-Risk (K-12)	K.S.A. 72-5167	329,326
Supplemental	Food Service	K.S.A. 72-5143	5,000
Supplemental	Vocational Education	K.S.A. 72-5143	257,898
Supplemental	At-Risk (K-12)	K.S.A. 72-5143	110,458
Supplemental	At-Risk (4Yr Old)	K.S.A. 72-5143	73,903
Supplemental	Bilingual Education	K.S.A. 72-5143	882
Supplemental	Virtual Education	K.S.A. 72-5143	246,658
Supplemental	Special Education	K.S.A. 72-5143	104,733
Title IV	Title II-A	K.S.A. 72-5537	14,001
Total Transfers			\$ 2,884,499

Note F: Pension Plans

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 payments of \$19.4 million starting in fiscal year 2020.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2022

Note F: Defined Benefit Pension Plan (Continued)

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$824,693 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 \$6,433,531. 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 G: Other Long-Term Obligations from Operations

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level 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. There is no cost to the District under this program.

Compensated Absences

Compensated vacation absences are recorded as expenditures in Governmental Funds when they are paid. Vacation for qualified, classified employees is two weeks or more per year, which may be taken during the current or subsequent year. If not taken during current or subsequent year, it is lost. Accumulated vacation is paid if an employee voluntarily terminates employment with appropriate notice. Otherwise, it is lost. The most that may be accumulated is 25 days. Vacation is earned at .834 days/month for new employees who are at least half time and who work more than ten months per year. Employees earn more days per month for longer service. Emergency leave for classified employees accumulates at 1.67 days per month. Employees must work at least four hours a day. Classified and certified employees may accumulate 90 days of emergency leave. Certified employees get 15 days at the beginning of the year and lose any unused days upon termination.

Sick leave benefits and other compensated absences are not accrued in the financial statement because they do not vest. When an employee leaves the District they do not receive any compensation for unused sick leave, unless they are retiring certified employee, in which case they receive \$15 per day up to 88 days.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
For the Year Ended June 30, 2022

Note G: Other Long-Term Obligations from Operations (Continued)

Termination Benefits

The District provides an early retirement program for certain eligible employees. Employees are eligible if (a) they are a professional employee of the District; (b) will be at least 60 years of age and not more than 64 years of age on or before August 31 of the calendar year in which the professional employee intends to retire, or anyone who meets the KPERS 85 point early retirement plan; (c) has a minimum of 20 years of employment in a public school system; (d) has a minimum of ten years in the District to receive full early retirement benefits. Reduced benefits are eligible for employees that have been employed in the District for five to nine years. Employees hired after July 1, 2013 do not qualify for early retirement.

Payments to retired employees under this plan were \$61,500 for the year ended June 30, 2022.

Note H: Claims and Judgments

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

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

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2021 to 2022, and there were no settlements that exceeded insurance coverage in the past three years.

Note I: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

As a result of the COVID-19 outbreak, numerous federal and state grants have been made available to the District to assist with the risks and help offset incurred costs of the District.

Note J: Subsequent Events

The District evaluated subsequent events through February 28, 2023, the date the financial statement is available to be issued.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2022

Note K: General Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>End of Year</u>	<u>Interest Paid</u>
Lease Purchase:									
Equipment Lease	2.36%	3/1/2022	\$ 4,080,258	3/1/2037	\$ -	\$ 4,080,258	\$ -	\$ 4,080,258	\$ -
Total Long-Term Debt					\$ -	\$ 4,080,258	\$ -	\$ 4,080,258	\$ -

Current maturities of long-term debt and interest for the next five years and total outstanding debt obligations beyond five years are outlined below:

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028-2037</u>	<u>Total</u>
Principal							
Lease Purchase	\$ 230,258	\$ 235,000	\$ 240,000	\$ 245,000	\$ 255,000	\$ 2,875,000	\$ 4,080,258
Interest							
Lease Purchase	\$ 96,294	\$ 90,860	\$ 85,314	\$ 79,650	\$ 73,868	\$ 386,096	\$ 812,082

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2022

Funds	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
Governmental Type Funds						
General Funds						
General	\$ 8,408,093	\$ (1,051,178)	\$ 165,502	\$ 7,522,417	\$ 7,522,417	\$ -
Supplemental General	2,319,833	(115,084)	-	2,204,749	2,204,749	-
Special Purpose Funds						
Preschool-Aged At-Risk	86,498	-	-	86,498	45,242	(41,256)
At-Risk (K-12)	588,461	-	-	588,461	465,954	(122,507)
Bilingual Education	17,313	-	-	17,313	7,487	(9,826)
Virtual Education	879,644	-	-	879,644	616,068	(263,576)
Capital Outlay	2,305,015	-	-	2,305,015	1,086,546	(1,218,469)
Driver Training	32,825	-	-	32,825	15,602	(17,223)
Food Service	549,160	-	-	549,160	435,027	(114,133)
Professional Development	50,772	-	-	50,772	16,597	(34,175)
Special Education	2,410,987	-	-	2,410,987	1,846,929	(564,058)
Career and Postsecondary Education	371,550	-	-	371,550	328,730	(42,820)
KPERs Special Retirement Contribution	1,016,380	-	-	1,016,380	824,693	(191,687)
Total of all Funds	<u>\$ 19,036,531</u>	<u>\$ (1,166,262)</u>	<u>\$ 165,502</u>	<u>\$ 18,035,771</u>	<u>\$ 15,416,041</u>	<u>\$ (2,619,730)</u>

* Residual equity transfer to close fund. This is not a violation of Kansas budget statute.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022
With Comparative Actual Totals For The Prior Year Ended June 30, 2021

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over Over (Under)
CASH RECEIPTS				
Local Sources				
Student activities	\$ 25,298	\$ 35,976	\$ -	\$ 35,976
Other	33,989	129,526	-	129,526
Reimbursed expenditures	25,514	-	-	-
State Sources				
General state aid	7,715,341	7,356,770	8,407,968	(1,051,198)
Mineral production tax	69	185	125	60
Total Cash Receipts	<u>\$ 7,800,211</u>	<u>\$ 7,522,457</u>	<u>\$ 8,408,093</u>	<u>\$ (885,636)</u>
EXPENDITURES				
Instruction	\$ 2,968,230	\$ 2,912,739	\$ 3,312,414	\$ (399,675)
Student support services	199,453	179,802	198,670	(18,868)
Instructional support staff	514,605	541,368	552,012	(10,644)
General administration	260,472	300,227	300,721	(494)
School administration	577,391	595,184	601,433	(6,249)
Central services	152,151	156,587	163,505	(6,918)
Operations and maintenance	410,106	402,626	451,265	(48,639)
Student transportation	315,934	362,918	375,270	(12,352)
Transfers to Other Funds	2,401,869	2,070,966	2,452,803	(381,837)
Other	-	-	-	-
Adjustment to comply with legal maximum	-	-	(1,051,178)	1,051,178
Legal general fund budget and expenditures	<u>\$ 7,800,211</u>	<u>\$ 7,522,417</u>	<u>\$ 7,356,915</u>	<u>\$ 165,502</u>
Adjustments for qualifying budget credits	-	-	165,502	(165,502)
Total Expenditures	<u>\$ 7,800,211</u>	<u>\$ 7,522,417</u>	<u>\$ 7,522,417</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)				
EXPENDITURES	\$ -	\$ 40		
UNENCUMBERED CASH - BEGINNING	<u>-</u>	<u>-</u>		
UNENCUMBERED CASH - ENDING	<u>\$ -</u>	<u>\$ 40</u>		

USD 400 - SMOKY VALLEY
Lindsborg, 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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	\$ 1,093,631	\$ 1,067,990	\$ 1,088,091	\$ (20,101)
Delinquent taxes	16,488	12,803	16,630	(3,827)
Miscellaneous	-	-	123,892	(123,892)
County Sources				
Motor vehicle taxes	135,042	109,087	107,700	1,387
Recreational vehicle taxes	3,726	3,233	3,020	213
Commercial vehicle taxes	3,008	3,119	2,884	235
State Sources				
Supplemental state aid	970,403	925,774	974,098	(48,324)
Total Cash Receipts	<u>\$ 2,222,298</u>	<u>\$ 2,122,006</u>	<u>\$ 2,316,315</u>	<u>\$ (194,309)</u>
EXPENDITURES				
Instruction	\$ 322,984	\$ 381,497	\$ 413,132	\$ (31,635)
Student support services	73,297	73,798	85,846	(12,048)
Instructional support staff	38,886	40,378	57,876	(17,498)
General administration	15,542	15,730	16,536	(806)
School administration	75,210	73,406	82,680	(9,274)
Central services	27,874	31,866	33,072	(1,206)
Operations and maintenance	575,307	629,003	716,660	(87,657)
Student transportation	115,749	159,539	174,427	(14,888)
Transfers to other funds	1,026,164	799,532	739,604	59,928
Adjustment to comply with legal maximum	-	-	(115,084)	115,084
Total Expenditures	<u>\$ 2,271,013</u>	<u>\$ 2,204,749</u>	<u>\$ 2,204,749</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)				
EXPENDITURES	\$ (48,715)	\$ (82,743)		
UNENCUMBERED CASH - BEGINNING	<u>260,650</u>	<u>211,935</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 211,935</u>	<u>\$ 129,192</u>		

USD 400 - SMOKY VALLEY
 Lindsborg, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022
 With Comparative Actual Totals For The Prior Year Ended June 30, 2021

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Other Sources				
Transfers from other funds	\$ 42,104	\$ 73,903	\$ 31,611	\$ 42,292
EXPENDITURES				
Instruction	\$ 35,533	\$ 45,242	\$ 84,998	\$ (39,756)
Instructional support staff	-	-	1,500	(1,500)
Total Expenditures	<u>\$ 35,533</u>	<u>\$ 45,242</u>	<u>\$ 86,498</u>	<u>\$ (41,256)</u>
RECEIPTS OVER (UNDER)				
EXPENDITURES	\$ 6,571	\$ 28,661		
UNENCUMBERED CASH - BEGINNING	<u>48,316</u>	<u>54,887</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 54,887</u>	<u>\$ 83,548</u>		

USD 400 - SMOKY VALLEY

Lindsborg, 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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Local Sources				
Other	\$ 5,925	\$ 6,872	\$ 15,000	\$ (8,128)
Other Sources				
Transfers from other funds	357,012	439,784	567,516	(127,732)
Total Cash Receipts	<u>\$ 362,937</u>	<u>\$ 446,656</u>	<u>\$ 582,516</u>	<u>\$ (135,860)</u>
EXPENDITURES				
Instruction	\$ 352,394	\$ 465,954	\$ 588,461	\$ (122,507)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 10,543	\$ (19,298)		
UNENCUMBERED CASH - BEGINNING	<u>79,510</u>	<u>90,053</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 90,053</u>	<u>\$ 70,755</u>		

USD 400 - SMOKY VALLEY
 Lindsborg, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022
 With Comparative Actual Totals For The Prior Year Ended June 30, 2021

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Other Sources				
Transfers	\$ 1,828	\$ 882	\$ 1,882	\$ (1,000)
EXPENDITURES				
Instruction	\$ 8,665	\$ 7,487	\$ 17,313	\$ (9,826)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (6,837)	\$ (6,605)		
UNENCUMBERED CASH - BEGINNING	22,268	15,431		
UNENCUMBERED CASH - ENDING	\$ 15,431	\$ 8,826		

USD 400 - SMOKY VALLEY
 Lindsborg, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2022
 With Comparative Actual Totals For The Prior Year Ended June 30, 2021

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Tuition	\$ 20,570	\$ 16,660	\$ -	\$ 16,660
Other	5,571	5,199	60,000	(54,801)
Other Sources				
Transfers	610,000	575,000	818,500	(243,500)
Total Cash Receipts	<u>\$ 636,141</u>	<u>\$ 596,859</u>	<u>\$ 878,500</u>	<u>\$ (281,641)</u>
EXPENDITURES				
Instruction	\$ 410,773	392,947	\$ 619,197	\$ (226,250)
Student support services	56,558	55,021	65,838	(10,817)
Instructional support staff	8,683	6,064	19,750	(13,686)
School administration	157,955	162,036	174,859	(12,823)
Total Expenditures	<u>\$ 633,969</u>	<u>\$ 616,068</u>	<u>\$ 879,644</u>	<u>\$ (263,576)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 2,172	\$ (19,209)		
UNENCUMBERED CASH - BEGINNING	<u>92,472</u>	<u>94,644</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 94,644</u>	<u>\$ 75,435</u>		

USD 400 - SMOKY VALLEY

Lindsborg, Kansas

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2022

With Comparative Actual Totals For The Prior Year Ended June 30, 2021

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	\$ 653,442	\$ 679,357	\$ 576,901	\$ 102,456
Delinquent taxes	7,799	7,502	9,893	(2,391)
Interest On Idle Funds	2,208	6,155	50,000	(43,845)
Other	116,108	59,591	275,000	(215,409)
County Sources				
Motor vehicle taxes	70,168	67,756	66,906	850
Recreational vehicle taxes	1,955	2,009	1,875	134
Commercial vehicle taxes	1,836	1,878	1,793	85
Other	2,803	6,205	5,750	455
State Sources				
Capital outlay state aid	199,248	181,889	191,733	(9,844)
Total Cash Receipts	<u>\$ 1,055,567</u>	<u>\$ 1,012,342</u>	<u>\$ 1,179,851</u>	<u>\$ (167,509)</u>
EXPENDITURES				
Instruction	\$ 262,302	\$ 327,747	\$ 1,008,730	\$ (680,983)
Student support services	7,551	2,741	75,000	(72,259)
Instructional support staff	4,737	4,991	50,000	(45,009)
General administration	3,127	-	20,000	(20,000)
School administration	1,488	-	25,000	(25,000)
Central services	398	-	70,000	(70,000)
Operations and maintenance	53,237	33,699	125,000	(91,301)
Student transportation	134,158	89,967	245,000	(155,033)
Other support services	1,100	1,100	7,500	(6,400)
Facility acquisition and construction	411,127	626,301	678,785	(52,484)
Total Expenditures	<u>\$ 879,225</u>	<u>\$ 1,086,546</u>	<u>\$ 2,305,015</u>	<u>\$ (1,218,469)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 176,342	\$ (74,204)		
UNENCUMBERED CASH - BEGINNING	<u>948,822</u>	<u>1,125,164</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 1,125,164</u>	<u>\$ 1,050,960</u>		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022
With Comparative Actual Totals For The Prior Year Ended June 30, 2021

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	\$ 5,896	\$ 6,517	\$ 6,275	\$ 242
State Sources				
State safety aid	5,202	5,490	6,000	(510)
Other Sources				
Transfers from other funds	16,500	-	5,000	(5,000)
Total Cash Receipts	<u>\$ 27,598</u>	<u>\$ 12,007</u>	<u>\$ 17,275</u>	<u>\$ (5,268)</u>
EXPENDITURES				
Instruction	\$ 25,578	\$ 14,277	\$ 27,575	\$ (13,298)
Operations and maintenance	1,691	1,325	5,250	(3,925)
Total Expenditures	<u>\$ 27,269</u>	<u>\$ 15,602</u>	<u>\$ 32,825</u>	<u>\$ (17,223)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 329	\$ (3,595)		
UNENCUMBERED CASH - BEGINNING	<u>30,862</u>	<u>31,191</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 31,191</u>	<u>\$ 27,596</u>		

USD 400 - SMOKY VALLEY

Lindsborg, 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		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Local Sources				
Interest	\$ -	\$ -	\$ 25,000	\$ (25,000)
Food service sales	16,576	5,237	34,367	(29,130)
Other	910	229	10,000	(9,771)
State Sources				
School food assistance	3,573	3,747	2,446	1,301
Federal Sources				
Child nutrition programs	316,952	469,537	335,793	133,744
Other Sources				
Transfers from other funds	45,000	5,000	35,000	(30,000)
Total Cash Receipts	<u>\$ 383,011</u>	<u>\$ 483,750</u>	<u>\$ 442,606</u>	<u>\$ 41,144</u>
EXPENDITURES				
Operations and maintenance	\$ 813	\$ 1,801	\$ 2,500	\$ (699)
Food service	358,791	433,226	546,660	(113,434)
Total Expenditures	<u>\$ 359,604</u>	<u>\$ 435,027</u>	<u>\$ 549,160</u>	<u>\$ (114,133)</u>
RECEIPTS OVER (UNDER)				
EXPENDITURES	\$ 24,220	\$ 48,723		
UNENCUMBERED CASH - BEGINNING	<u>82,333</u>	<u>106,553</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 106,553</u>	<u>\$ 155,276</u>		

USD 400 - SMOKY VALLEY
 Lindsborg, 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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
State Sources				
State Aid	\$ 4,280	\$ -	\$ -	\$ -
Other Sources				
Transfers from other funds	12,500	-	15,000	(15,000)
Total Cash Receipts	<u>\$ 16,780</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ (15,000)</u>
EXPENDITURES				
Instructional support staff	\$ 15,340	\$ 16,597	\$ 48,627	\$ (32,030)
Central services	1,190	-	2,145	(2,145)
Total Expenditures	<u>\$ 16,530</u>	<u>\$ 16,597</u>	<u>\$ 50,772</u>	<u>\$ (34,175)</u>
RECEIPTS OVER (UNDER)				
EXPENDITURES	\$ 250	\$ (16,597)		
UNENCUMBERED CASH - BEGINNING	<u>48,521</u>	<u>48,771</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 48,771</u>	<u>\$ 32,174</u>		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022
With Comparative Actual Totals For The Prior Year Ended June 30, 2021

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Reimbursed expenditures	\$ 2,432	\$ -	\$ -	\$ -
Federal Sources				
Federal Aid	6,302	60,484	35,000	25,484
CARES Act	-	-	46,226	(46,226)
Other Sources				
Transfers from other funds	1,998,766	1,518,031	1,500,000	18,031
Total Cash Receipts	<u>\$ 2,007,500</u>	<u>\$ 1,578,515</u>	<u>\$ 1,581,226</u>	<u>\$ (2,711)</u>
EXPENDITURES				
Instruction	\$ 1,892,146	\$ 1,764,834	\$ 2,237,388	\$ (472,554)
Student transportation	94,016	82,095	173,599	(91,504)
Total Expenditures	<u>\$ 1,986,162</u>	<u>\$ 1,846,929</u>	<u>\$ 2,410,987</u>	<u>\$ (564,058)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 21,338	\$ (268,414)		
UNENCUMBERED CASH - BEGINNING	<u>798,877</u>	<u>820,215</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 820,215</u>	<u>\$ 551,801</u>		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
CAREER AND POSTSECONDARY 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		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Local Sources				
Other	\$ -	\$ -	\$ 800	\$ (800)
Other Sources				
Transfers from other funds	344,323	257,898	217,898	40,000
Total Cash Receipts	<u>\$ 344,323</u>	<u>\$ 257,898</u>	<u>\$ 218,698</u>	<u>\$ 39,200</u>
EXPENDITURES				
Instruction	\$ 324,724	\$ 328,730	\$ 371,550	\$ (42,820)
Student transportation services	15,350	-	-	-
Total Expenditures	<u>\$ 340,074</u>	<u>\$ 328,730</u>	<u>\$ 371,550</u>	<u>\$ (42,820)</u>
RECEIPTS OVER (UNDER)				
EXPENDITURES	\$ 4,249	\$ (70,832)		
UNENCUMBERED CASH - BEGINNING	<u>148,603</u>	<u>152,852</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 152,852</u>	<u>\$ 82,020</u>		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2022
With Comparative Actual Totals For The Prior Year Ended June 30, 2021

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
CASH RECEIPTS				
State Sources				
State Aid	\$ 803,463	\$ 824,693	\$ 1,016,380	\$ (191,687)
EXPENDITURES				
Instruction	\$ 480,586	484,247	\$ 607,795	\$ (123,548)
Student support services	30,412	31,457	38,622	(7,165)
Instructional support staff	53,939	59,440	68,097	(8,657)
General administration	27,029	29,989	34,557	(4,568)
School administration	85,970	89,323	108,753	(19,430)
Central services	20,270	21,445	25,410	(3,965)
Operations and maintenance	49,076	55,064	61,999	(6,935)
Student transportation	40,015	39,044	50,819	(11,775)
Food service	16,166	14,684	20,328	(5,644)
Total Expenditures	<u>\$ 803,463</u>	<u>\$ 824,693</u>	<u>\$ 1,016,380</u>	<u>\$ (191,687)</u>
RECEIPTS OVER (UNDER)				
EXPENDITURES	\$ -	\$ -		
UNENCUMBERED CASH - BEGINNING	<u>-</u>	<u>-</u>		
UNENCUMBERED CASH - ENDING	<u>\$ -</u>	<u>\$ -</u>		

SCHEDULE 2

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2022

	Title I Low Income	Title II-A Improve Teacher Quality	Title IV-A Student Support & Acad. Enrich.	Contingency Reserve	Textbook & Student Material Revolving	St. Stephens	Trust Fund
RECEIPTS							
Local Sources							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,900	\$ 20,529
State Sources							
State aid	-	-	-	-	-	-	-
Federal Sources							
Federal aid	83,267	22,781	14,001	-	67,028	-	-
Other Sources							
Transfers from other funds	-	14,001	-	-	-	-	-
Total Receipts	<u>\$ 83,267</u>	<u>\$ 36,782</u>	<u>\$ 14,001</u>	<u>\$ -</u>	<u>\$ 67,028</u>	<u>\$ 31,900</u>	<u>\$ 20,529</u>
EXPENDITURES							
Instruction	\$ 83,267	\$ 36,782	\$ -	\$ -	\$ 47,536	\$ 20,723	\$ 94,502
Support							
Student support services	-	-	-	-	-	9,151	-
Instructional support staff	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Operations and maintenance	-	-	-	(17,759)	-	-	-
Other	-	-	-	-	-	-	34,962
Transfers to other funds	-	-	14,001	-	-	-	-
Total Expenditures	<u>\$ 83,267</u>	<u>\$ 36,782</u>	<u>\$ 14,001</u>	<u>\$ (17,759)</u>	<u>\$ 47,536</u>	<u>\$ 29,874</u>	<u>\$ 129,464</u>
RECEIPTS OVER (UNDER)							
EXPENDITURES	\$ -	\$ -	\$ -	\$ 17,759	\$ 19,492	\$ 2,026	\$ (108,935)
UNENCUMBERED CASH - BEGINNING	-	-	-	1,174,296	73,965	26,425	155,372
UNENCUMBERED CASH - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,192,055</u>	<u>\$ 93,457</u>	<u>\$ 28,451</u>	<u>\$ 46,437</u>

(Continued)

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2022

SCHEDULE 2

	<u>Gift and Grants</u>	<u>Trane HVAC</u>	<u>Payroll Clearing</u>	<u>ESSER II</u>	<u>COVID Grant</u>
RECEIPTS					
Local Sources					
Other	\$ 116,709	\$ 4,627,506	\$ -	\$ -	\$ -
State Sources					
State aid	17,500	-	-	-	-
Federal Sources					
Federal aid	17,500	-	-	229,992	63,754
Other Sources					
Transfers from other funds	-	-	-	-	-
Total Receipts	<u>\$ 151,709</u>	<u>\$ 4,627,506</u>	<u>\$ -</u>	<u>\$ 229,992</u>	<u>\$ 63,754</u>
EXPENDITURES					
Instruction	\$ 86,873	\$ -	\$ -	\$ 199,205	\$ -
Support					
Student support services	-	-	-	15,480	69,465
Instructional support staff	6,792	-	-	42,991	-
School administration	-	-	-	1,663	-
Operations and maintenance	-	1,611,951	-	6,547	-
Other	-	-	989	352	-
Transfers to other funds	-	-	-	-	-
Total Expenditures	<u>\$ 93,665</u>	<u>\$ 1,611,951</u>	<u>\$ 989</u>	<u>\$ 266,238</u>	<u>\$ 69,465</u>
RECEIPTS OVER (UNDER)					
EXPENDITURES	\$ 58,044	\$ 3,015,555	\$ (989)	\$ (36,246)	\$ (5,711)
UNENCUMBERED CASH - BEGINNING	<u>30</u>	<u>-</u>	<u>11,046</u>	<u>-</u>	<u>-</u>
UNENCUMBERED CASH - ENDING	<u>\$ 58,074</u>	<u>\$ 3,015,555</u>	<u>\$ 10,057</u>	<u>\$ (36,246)</u>	<u>\$ (5,711)</u>

USD 400 - SMOKY VALLEY
 Lindsborg, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
 Regulatory Basis
 For the Year Ended June 30, 2022

	Balance July 1, 2021	Cash Receipts	Cash Disbursements	Balance June 30, 2022
Student Organization Funds				
Soderstrom Elementary School	\$ 1,828	\$ 5,988	\$ 4,759	\$ 3,057
Smoky Valley Middle School	9,989	40,762	39,036	11,715
Smoky Valley High School	128,322	261,456	242,663	147,115
Payroll Clearing	11,046	-	989	10,057
Sales Tax	2,900	7,810	10,710	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Agency Funds	\$ 154,085	\$ 316,016	298,157	\$ 171,944
	<hr/>	<hr/>	<hr/>	<hr/>

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2022

	Balance July 1, 2021	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Balance June 30, 2022
Gate receipts	<u>\$ -</u>	<u>\$ 35,976</u>	<u>\$ 35,976</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

February 28, 2023



Board of Education
Smoky Valley Unified School District No. 400
Lindsborg, Kansas

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statement
Performed in Accordance With *Government Auditing Standards***

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 Smoky Valley Unified School District No. 400 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated February 28, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

February 28, 2023
Smoky Valley Unified School District No. 400
(continued)

Purpose of this Report

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas



February 28, 2023

Board of Education
Smoky Valley Unified School District No. 400
Lindsborg, Kansas

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control Over
Compliance in Accordance with the Uniform Guidance**

Unmodified Opinions

We have audited Unified School District No. 400's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Unmodified Opinions

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the 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 the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

Auditor's Responsibilities for the Audit of Compliance (continued)

In performing an audit in accordance with GAAS, *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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

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.

Purpose of this Report

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.

Varyney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	DO400	\$ 64,683
Cash for Commodities	10.555	DO400	20,957
Section 4	10.555	DO400	323,531
Pandemic EBT Admin Costs	10.555	DO400	614
NSLP Supply Chain Assistance	10.555	DO400	18,944
Summer food service program for administration	10.559	DO400	563
Summer food service program for children	10.559	DO400	23
Summer food service program - food	10.559	DO400	5,445
Total U.S. Department of Agriculture			\$ 434,760
U.S. Department of Education			
Title 1 Low Income Education Needs of Disadvantaged Children	84.010	DO400	\$ 83,267
COVID-19 - Emergency and Secondary School Emergency Relief	84.425D	DO400	281,791
Student Support	84.424	DO400	14,001
Title II A Improving Teacher Quality/Supporting Effective Instruction	84.367	DO400	22,841
Total U.S. Department of Education			\$ 401,900
U.S. Department of Health and Human Services			
Head Start	93.079	DO400	\$ 267
Passed through Kansas Department of Education			
Temporary Assistance for Need Families	93.558	DO400	17,500
KDHE K-12 Stay Positive	93.323	DO400	63,754
Total U.S. Department of Health and Human Services			\$ 81,521
TOTAL FEDERAL EXPENDITURES			\$ 918,181

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2022

Note 1: Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the cash basis of accounting, modified to include recognition of accounts payable and encumbrances.

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: Non-Cash Assistance, Insurance, and Loans

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2022.

Note 3: Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414 for reporting costs charged to federal award programs.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None
Reportable conditions identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statement noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable conditions identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

Type of auditor's report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major programs:

<u>Name of Federal program</u>	<u>CFDA Number</u>
Child Nutrition Cluster	10.553, 10.555, 10.559

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.