



UNIFIED SCHOOL DISTRICT NO. 331

FINANCIAL STATEMENT WITH REGULATORY-
REQUIRED SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2022

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Independent Auditor's Report

To the Board of Education
Unified School District No. 331
Kingman, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 331, Kingman, Kansas, as of and for the year ended June 30, 2022 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the 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. 331, 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 United School District No. 331, 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 2.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *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 Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note 2 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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.

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, summary of regulatory basis receipts and disbursements – agency funds, and schedule of receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying required 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 2.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 331 as of and for the year ended June 30, 2021 (not presented herein), and have issued our report thereon dated February 9, 2022, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer.municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2022 (schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described In Note 2.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is not a required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial

statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 November 16, 2022 on our consideration of Unified School District No. 331'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 to describe the scope of our testing of internal controls 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. 331'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 Unified School District No. 331's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas

November 16, 2022

UNIFIED SCHOOL DISTRICT NO. 331SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2022

STATEMENT 1

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ -	\$ 7,342,155	\$ 7,342,155	\$ -	\$ 65,831	\$ 65,831
Supplemental General	304,951	2,347,671	2,424,073	228,549	94,590	323,139
Special Purpose Funds:						
Capital Outlay	1,739,941	786,565	1,005,446	1,521,060	201,739	1,722,799
Driver Training	35,000	11,086	8,144	37,942	-	37,942
Food Service	159,999	654,930	563,779	251,150	19,492	270,642
Special Education	400,000	1,619,570	1,694,570	325,000	-	325,000
Career and Postsecondary Education	125,000	613,629	644,190	94,439	7,338	101,777
At Risk (4 Year Old)	-	72,943	72,943	-	-	-
At Risk (K-12)	50,000	698,923	698,923	50,000	-	50,000
Recreation Commission	29,662	336,030	328,888	36,804	-	36,804
Recreation Commission Employee Benefits	5,081	62,084	60,001	7,164	-	7,164
Professional Development	27,500	-	13,177	14,323	5,380	19,703
KPERS Special Retirement Contribution	-	868,896	868,896	-	-	-
Virtual Education	218,000	-	162,760	55,240	51,572	106,812
Textbook Rental	127,726	34,260	40,060	121,926	15,612	137,538
Title I	-	198,194	198,194	-	29,352	29,352
Title II-A	-	37,619	37,619	-	928	928
Title IV-A	-	19,531	19,531	-	15,641	15,641

UNIFIED SCHOOL DISTRICT NO. 331**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2022

STATEMENT 1

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Special Purpose Funds:						
Carl D. Perkins Grant	\$ -	\$ 17,044	\$ 17,044	\$ -	\$ -	\$ -
Gifts and Grants	33,371	16,272	17,202	32,441	5,013	37,454
Elementary & Secondary School						
Emergency Relief	-	305,000	344,867	(39,867)	30,000	(9,867)
Contingency Reserve	900,000	-	-	900,000	-	900,000
QZAB Lease Sinking	1,282,829	128,096	-	1,410,925	-	1,410,925
District Activity	110,851	260,554	262,716	108,689	-	108,689
Bond and Interest Fund:						
Bond and Interest	507,155	2,469	-	509,624	-	509,624
Trust Fund:						
Scholarships	216,839	871	8,034	209,676	-	209,676
TOTAL REPORTING ENTITY						
(EXCLUDING AGENCY FUNDS)	\$ 6,273,905	\$ 16,434,392	\$ 16,833,212	\$ 5,875,085	\$ 542,488	\$ 6,417,573
COMPOSITION OF CASH:						
Checking and Saving Accounts						\$ 4,898,596
Certificates of Deposits						205,970
QZAB Lease Sinking Fund (Certificates of Deposit)						1,410,925
Total Cash						6,515,491
Agency Funds per Schedule 3						(97,918)
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)						\$ 6,417,573

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

1. REPORTING ENTITY

Unified School District No. 331 (the District) is a municipal corporation governed by an elected seven-member Board of Education. This financial statement presents Unified School District No. 331 (the municipality).

This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

Kingman-Norwich Recreation Commission. The Kingman-Norwich Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the District levies taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission cannot purchase real property but can acquire real property by gift. The audited financial statement is available at the Kingman-Norwich Recreation Commission's office.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States 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 for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

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

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

3. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but a least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District did not hold a revenue neutral rate hearing for this year.

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

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

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

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

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

Textbook Rental Fund	Title I Fund
Title II-A Fund	Title IV-A Fund
Carl D. Perkins Grant Fund	Gifts and Grants Fund
Elementary & Secondary School	Contingency Reserve Fund
Emergency Relief Fund	QZAB Lease Sinking Fund
District Activity Fund	

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

4. DEPOSITS AND INVESTMENTS

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 deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

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

At June 30, 2022, the District's carrying amount of deposits was \$6,515,491 and the bank balance was \$7,041,234. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance, \$4,244,160 collateralized with securities held by the pledging financial institutions' agents in the District's name, and the remaining \$2,047,074 was secured with an irrevocable letter of credit issued by Federal Home Loan Bank of Topeka.

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

5. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$198,228 for General State Aid and \$72,339 for Supplemental General State Aid 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.

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-5167	\$ 1,399,901
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	463,629
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	490,943
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-5167	72,943
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	125,000
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	150,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	207,980
At Risk (4 Year Old) Fund	Special Education Fund	K.S.A. 72-6478	72,943

7. DEFINED BENEFIT PENSION PLAN

General Information about the 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 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

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

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

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 delay of \$194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of \$19.4 million starting in fiscal year 2020.

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$868,896 for the year ended June 30, 2022.

Net Pension Liability

At June 30, 2022, the District's proportionate share of the net pension liability reported by KPERS was \$6,604,524. 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.

8. 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 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.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2022.

Termination Benefits. The District provides an early retirement program for certain eligible employees. An employee is eligible for early retirement if such employee meets the criteria as stated in the District's early retirement policy. Early retirement benefits will be provided by the District for a maximum of five years from the date of retirement with no benefits being paid after the retiree's 65th birthday.

Licensed employees with 15 years of experience within the District who have accumulated leave days up to 70 days upon retirement from the District or retirement due to medical disability will be compensated for the unused leave days at the rate of \$50 per day. Classified employees with 15 years of experience within the District who are eligible for exercising a retirement option in KPERS, will be paid for accumulated unused sick leave at \$30 per day and unused vacation leave at the employee's daily rate of pay.

Compensated Absences. The District provides compensation for absences. Classified employees earn vacation leave according to the following schedule:

<u>Years of Service</u>	<u>Vacation Earned</u>
1-14	10 days per year
15-24	15 days per year
25 or more	20 days per year

Certified employees earn 12 days of chargeable leave per school year. At the end of the school year, any unused chargeable leave days become accumulated personal sick leave up to a maximum of 61 days. Licensed personnel shall be paid \$40 for each full day of leave which he/she has accumulated in excess of 61 days at the completion of their annual contract up to a maximum of 9 days.

Classified employees are entitled to sick leave and is earned at the rate of one day per calendar month based on actual hours worked per day, cumulative according to the following schedule:

<u>Employment Term</u>	<u>Maximum Accumulation</u>
12 month employees	60 days
11 month employees	55 days
10.5 month employees	52.5 days
9 month employees	45 days

When accumulated sick leave days are above the maximum number of accumulated days, classified employees shall be reimbursed for such days at the rate of 30% of their daily rate of pay.

9. RISK AND UNCERTAINTIES

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 to protect itself from these risks.

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

10. QUALIFIED ZONE ACTIVITY BOND (QZAB) LEASE

The District makes payments to a non-interest bearing sinking fund established for the QZAB Lease described in Note 14. Each year, the District pays \$125,000 to the sinking fund which will be applied to the principal due on the lease upon maturity. The QZAB Lease Sinking Fund has an unencumbered balance of \$1,410,925 at June 30, 2022 which includes interest earned. The United States Treasury, as part of the Qualified Zone Academy Bond program, paid \$82,800 of interest on this lease for the fiscal year ended June 30, 2022. The portion of interest to be paid by the United States Treasury is not known in advance, so the full interest obligation is listed in Note 14 for future periods.

11. COVID-19

In 2020, the World Health Organization (“WHO”) announced a global health emergency because of the COVID-19 outbreak and classified the COVID-19 outbreak as a pandemic. 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 year ending June 30, 2022. Future potential impacts may include: decrease of federal funding related to the pandemic to help offset costs; decrease in student enrollment due to more students enrolling in virtual classes or home schooling; and decrease in federal funding rates for food service due to the payment schedule of full, reduced and free returning in fiscal year ending June 30, 2023.

12. COMPLIANCE WITH KANSAS STATUTES

The unencumbered cash balance in the Elementary & Secondary School Emergency Relief (ESSER) fund was negative \$39,867 at June 30, 2022. The ESSER funding is on a reimbursement basis. The District expended \$39,867 during the year ended June 30, 2022 for which the reimbursement was not awarded until the subsequent year. The negative balance was caused by the timing of the reimbursement.

13. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2022 through November 16, 2022. The aforementioned date represents the date the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 331
NOTES TO THE FINANCIAL STATEMENT

14. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Finance/Capital Lease:									
QZAB Lease	5.52%	5/18/2011	1,500,000	5/18/2023	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ 82,800
Total Contractual Indebtedness					\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ 82,800

Current maturities of long-term debt and interest for the next year are as follows:

	Year 2023	Total
Principal		
QZAB Lease	\$ 1,500,000	\$ 1,500,000
Interest		
QZAB Lease	82,800	82,800
Total Principal and Interest	\$ 1,582,800	\$ 1,582,800

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 331**SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 1

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:						
General	\$ 7,693,714	\$ (352,093)	\$ 534	\$ 7,342,155	\$ 7,342,155	\$ -
Supplemental General	2,489,610	(65,537)	-	2,424,073	2,424,073	-
Special Purpose Funds:						
Capital Outlay	2,454,803	-	-	2,454,803	1,005,446	(1,449,357)
Driver Training	49,440	-	-	49,440	8,144	(41,296)
Food Service	629,512	-	-	629,512	563,779	(65,733)
Special Education	2,029,814	-	-	2,029,814	1,694,570	(335,244)
Career and Postsecondary Education	685,400	-	-	685,400	644,190	(41,210)
At Risk (4 Year Old)	70,590	-	2,353	72,943	72,943	-
At Risk (K-12)	957,980	-	-	957,980	698,923	(259,057)
Recreation Commission	328,888	-	-	328,888	328,888	-
Recreation Commission Employee Benefits	60,001	-	-	60,001	60,001	-
Professional Development	27,500	-	-	27,500	13,177	(14,323)
KPERS Special Retirement Contribution	980,658	-	-	980,658	868,896	(111,762)
Virtual Education	369,200	-	-	369,200	162,760	(206,440)
Bond and Interest Funds:						
Bond and Interest	-	-	-	-	-	-

UNIFIED SCHOOL DISTRICT NO. 331**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)

SCHEDULE 2

	Prior	Current Year		Variance
	Year			Over
	Actual	Actual	Budget	(Under)
Receipts				
Taxes and Shared Revenue				
Mineral Tax	\$ 4,457	\$ 13,094	\$ 5,000	\$ 8,094
State Aid				
General State Aid	6,374,360	6,243,640	6,390,714	(147,074)
Special Education Aid	1,025,294	1,084,887	1,298,000	(213,113)
Reimbursements	-	534	-	534
SPARK Funding	43,184	-	-	-
Total Receipts	7,447,295	7,342,155	\$ 7,693,714	\$ (351,559)
Expenditures				
Instruction	2,905,260	3,405,236	\$ 3,366,500	\$ 38,736
Student Support Services	183,147	171,745	184,000	(12,255)
Instructional Support Services	14,020	588	42,000	(41,412)
School Administration	207	527	1,000	(473)
Operations and Maintenance	965,879	965,139	1,014,300	(49,161)
Vehicle Operating Service	300,740	332,920	327,324	5,596
Vehicle Service and Maintenance	95,181	38,584	88,000	(49,416)
Operating Transfers	2,982,861	2,427,416	2,670,590	(243,174)
Adjustment to Comply With Legal Max	-	-	(352,093)	352,093
General Legal Fund Budget	7,447,295	7,342,155	7,341,621	534
Adjustment for Qualifying Budget Credits	-	-	534	(534)
Total Expenditures	7,447,295	7,342,155	\$ 7,342,155	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 331**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)

SCHEDULE 2

	Current Year				Variance
	Prior				Over
	Year				
	Actual	Actual	Budget		(Under)
Receipts					
Taxes and Shared Revenue					
Ad Valorem Property Tax	\$ 1,226,036	\$ 989,036	\$ 798,528	\$	190,508
Delinquent Tax	34,739	28,813	19,453		9,360
Motor Vehicle Tax	147,292	142,887	149,366		(6,479)
Recreational Vehicle Tax	2,155	12,474	2,449		10,025
Commercial Vehicle Tax	8,681	240	8,897		(8,657)
State Aid					
Supplemental State Aid	1,188,767	1,174,221	1,205,967		(31,746)
SPARK Funding	38,817	-	-		-
Total Receipts	2,646,487	2,347,671	\$ 2,184,660	\$	163,011
Expenditures					
Instruction	525,290	243,336	\$ 275,000	\$	(31,664)
Student Support Services	201,108	211,903	215,000		(3,097)
General Administration	213,238	393,769	405,000		(11,231)
School Administration	503,621	501,398	530,000		(28,602)
Central Services	406,371	368,343	385,500		(17,157)
Operations and Maintenance	260,455	222,344	196,130		26,214
Operating Transfers	396,591	482,980	482,980		-
Adjustment to Comply with Legal Max	-	-	(65,537)		65,537
Total Expenditures	2,506,674	2,424,073	\$ 2,424,073	\$	-
Receipts Over (Under) Expenditures	139,813	(76,402)			
Unencumbered Cash, Beginning	165,138	304,951			
Unencumbered Cash, Ending	\$ 304,951	\$ 228,549			

UNIFIED SCHOOL DISTRICT NO. 331**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)

SCHEDULE 2

		Prior	Current Year		Variance
		Year			Over
		Actual	Actual	Budget	(Under)
Receipts					
Taxes and Shared Revenue					
Ad Valorem Property Tax	\$	473,725	\$ 485,661	\$ 424,821	\$ 60,840
Delinquent Tax		14,446	11,811	7,471	4,340
Motor Vehicle Tax		63,617	59,136	62,849	(3,713)
Recreational Vehicle Tax		930	850	1,031	(181)
Commercial Vehicle Tax		3,803	4,145	3,744	401
State Aid					
Capital Outlay State Aid		164,942	204,692	214,946	(10,254)
Interest On Idle Funds		4,296	2,792	-	2,792
Other Sources		17,436	17,478	-	17,478
Total Receipts		743,195	786,565	\$ 714,862	\$ 71,703
Expenditures					
Instruction		190,645	205,823	\$ 1,000,000	\$ (794,177)
Instructional Support Staff		-	-	84,803	(84,803)
Operations and Maintenance		352,476	627,903	940,000	(312,097)
Transportation		78,829	42,000	300,000	(258,000)
Debt Service		129,720	129,720	130,000	(280)
Total Expenditures		751,670	1,005,446	\$ 2,454,803	\$ (1,449,357)
Receipts Over (Under) Expenditures		(8,475)	(218,881)		
Unencumbered Cash, Beginning		1,748,416	1,739,941		
Unencumbered Cash, Ending	\$	1,739,941	\$ 1,521,060		

UNIFIED SCHOOL DISTRICT NO. 331**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)

SCHEDULE 2

		Current Year				
		Prior Year Actual	Actual	Budget	Variance Over (Under)	
Receipts						
State Aid	\$	4,488	\$ 4,636	\$ 4,440	\$ 196	
Student Fees		12,755	6,450	10,000	(3,550)	
Operating Transfers		649	-	-	-	
Total Receipts		17,892	11,086	\$ 14,440	\$ (3,354)	
Expenditures						
Instruction		15,281	7,204	\$ 44,940	\$ (37,736)	
Vehicle Operations		2,611	940	4,500	(3,560)	
Total Expenditures		17,892	8,144	\$ 49,440	\$ (41,296)	
Receipts Over (Under) Expenditures		-	2,942			
Unencumbered Cash, Beginning		35,000	35,000			
Unencumbered Cash, Ending	\$	35,000	\$ 37,942			

UNIFIED SCHOOL DISTRICT NO. 331**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)****SCHEDULE 2**

		Current Year			
		Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts					
State Aid	\$	5,071	\$ 4,306	\$ 2,970	\$ 1,336
Federal Aid		524,720	618,078	451,982	166,096
Local Receipts		37,087	32,546	14,560	17,986
SPARK Funding		26,976	-	-	-
Operating Transfers		1,179	-	-	-
Total Receipts		595,033	654,930	\$ 469,512	\$ 185,418
Expenditures					
Food Service Operation		557,037	563,779	\$ 629,512	\$ (65,733)
Receipts Over (Under) Expenditures		37,996	91,151		
Unencumbered Cash, Beginning		122,003	159,999		
Unencumbered Cash, Ending	\$	159,999	\$ 251,150		

UNIFIED SCHOOL DISTRICT NO. 331**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)

SCHEDULE 2

		Prior	Current Year		Variance
		Year			Over
		Actual	Actual	Budget	(Under)
Receipts					
State Aid	\$	18,428	\$ -	\$ 54,814	\$ (54,814)
Other Sources		-	21,726	100,000	(78,274)
Operating Transfers		1,589,802	1,597,844	1,475,000	122,844
Total Receipts		1,608,230	1,619,570	\$ 1,629,814	\$ (10,244)
Expenditures					
Instruction		1,596,098	1,641,098	\$ 1,954,814	\$ (313,716)
Vehicle Operating Service		39,155	30,920	42,000	(11,080)
Vehicle Services & Maintenance		15,995	16,142	23,000	(6,858)
Other Student Transportation Service		6,982	6,410	10,000	(3,590)
Total Expenditures		1,658,230	1,694,570	\$ 2,029,814	\$ (335,244)
Receipts Over (Under) Expenditures		(50,000)	(75,000)		
Unencumbered Cash, Beginning		450,000	400,000		
Unencumbered Cash, Ending	\$	400,000	\$ 325,000		

UNIFIED SCHOOL DISTRICT NO. 331**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)****SCHEDULE 2**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ -	\$ -	\$ 10,400	\$ (10,400)
SPARK Funding	4,000	-	-	-
Operating Transfers	572,725	613,629	550,000	63,629
Total Receipts	576,725	613,629	\$ 560,400	\$ 53,229
Expenditures				
Instruction	532,848	600,443	\$ 609,700	\$ (9,257)
Vehicle Operations	43,877	43,747	75,700	(31,953)
Total Expenditures	576,725	644,190	\$ 685,400	\$ (41,210)
Receipts Over (Under) Expenditures	-	(30,561)		
Unencumbered Cash, Beginning	125,000	125,000		
Unencumbered Cash, Ending	\$ 125,000	\$ 94,439		

UNIFIED SCHOOL DISTRICT NO. 331

AT RISK (4 YEAR OLD) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

SCHEDULE 2

		Current Year				Variance Over (Under)	
		Prior Year Actual	Actual	Budget			
Receipts							
Operating Transfers	\$	43,405	\$ 72,943	\$ 70,590	\$	2,353	
Expenditures							
Operating Transfers		43,405	72,943	\$ 70,590	\$	2,353	
Adjustment for Qualifying Budget Credits		-	-	2,353		(2,353)	
Total Expenditures		43,405	72,943	\$ 72,943	\$	-	
Receipts Over (Under) Expenditures		-	-				
Unencumbered Cash, Beginning		-	-				
Unencumbered Cash, Ending	\$	-	\$ -				

UNIFIED SCHOOL DISTRICT NO. 331

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)

SCHEDULE 2

		Current Year				
		Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts						
Operating Transfers	\$	1,085,037	\$	698,923	\$ 907,980	\$ (209,057)
Expenditures						
Instruction		1,100,037		698,923	\$ 957,980	\$ (259,057)
Receipts Over (Under) Expenditures		(15,000)		-		
Unencumbered Cash, Beginning		65,000		50,000		
Unencumbered Cash, Ending		\$ 50,000	\$	50,000		

UNIFIED SCHOOL DISTRICT NO. 331**RECREATION COMMISSION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

SCHEDULE 2

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenue					
Ad Valorem Property Tax	\$ 295,567	\$ 288,643	\$ 252,283	\$ 36,360	
Delinquent Tax	9,016	7,375	4,670	2,705	
Motor Vehicle Tax	39,705	36,891	39,288	(2,397)	
Recreational Vehicle Tax	581	530	644	(114)	
Commercial Vehicle Tax	2,376	2,591	2,340	251	
Total Receipts	347,245	336,030	\$ 299,225	\$ 36,805	
Expenditures					
Appropriations	326,482	328,888	\$ 328,888	\$ -	
Receipts Over (Under) Expenditures	20,763	7,142			
Unencumbered Cash, Beginning	8,899	29,662			
Unencumbered Cash, Ending	\$ 29,662	\$ 36,804			

UNIFIED SCHOOL DISTRICT NO. 331**RECREATION COMMISSION EMPLOYEE BENEFITS 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)

SCHEDULE 2

			Current Year		
		Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenue					
Ad Valorem Property Tax	\$	47,024	\$ 55,556	\$ 48,669	\$ 6,887
Delinquent Tax		1,322	1,068	752	316
Motor Vehicle Tax		4,602	4,983	5,111	(128)
Recreational Vehicle Tax		67	73	84	(11)
Commercial Vehicle Tax		274	404	304	100
Total Receipts		53,289	62,084	\$ 54,920	\$ 7,164
Expenditures					
Appropriations		50,000	60,001	\$ 60,001	\$ -
Receipts Over (Under) Expenditures		3,289	2,083		
Unencumbered Cash, Beginning		1,792	5,081		
Unencumbered Cash, Ending	\$	5,081	\$ 7,164		

UNIFIED SCHOOL DISTRICT NO. 331**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)

SCHEDULE 2

		Prior Year Actual	Current Year			Variance Over (Under)
			Actual	Budget		
Receipts						
State Aid	\$	1,488	\$ -	\$ -	\$ -	-
Operating Transfers		299	-	-		-
Total Receipts		1,787	-	\$ -	\$ -	-
Expenditures						
Instructional Support Services		6,287	13,177	\$ 27,500	\$ (14,323)	
Receipts Over (Under) Expenditures		(4,500)	(13,177)			
Unencumbered Cash, Beginning		32,000	27,500			
Unencumbered Cash, Ending	\$	27,500	\$ 14,323			

UNIFIED SCHOOL DISTRICT NO. 331**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)****SCHEDULE 2**

		Prior Year Actual	Current Year			Variance Over (Under)		
			Actual	Budget				
Receipts								
State Aid	\$	825,470	\$	868,896	\$	980,658	\$	(111,762)
Expenditures								
Employee Benefits		825,470		868,896	\$	980,658	\$	(111,762)
Receipts Over (Under) Expenditures		-		-				
Unencumbered Cash, Beginning		-		-				
Unencumbered Cash, Ending		\$	-	\$	-			

UNIFIED SCHOOL DISTRICT NO. 331

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)

SCHEDULE 2

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Miscellaneous	\$ 450	\$ -	\$ 1,200	\$ (1,200)
SPARK Funding	10,103	-	-	-
Operating Transfers	146,503	-	150,000	(150,000)
Total Receipts	157,056	-	\$ 151,200	\$ (151,200)
Expenditures				
Instruction	122,525	90,086	\$ 243,000	\$ (152,914)
Student Support Services	8,149	-	44,000	(44,000)
School Administration	29,489	64,976	52,000	12,976
Operations and Maintenance	8,193	7,698	30,200	(22,502)
Total Expenditures	168,356	162,760	\$ 369,200	\$ (206,440)
Receipts Over (Under) Expenditures	(11,300)	(162,760)		
Unencumbered Cash, Beginning	229,300	218,000		
Unencumbered Cash, Ending	\$ 218,000	\$ 55,240		

UNIFIED SCHOOL DISTRICT NO. 331**TEXTBOOK RENTAL FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Fees	\$ 35,376	\$ 34,260
Expenditures		
Textbooks	118,484	40,060
Receipts Over (Under) Expenditures	(83,108)	(5,800)
Unencumbered Cash, Beginning	210,834	127,726
Unencumbered Cash, Ending	\$ 127,726	\$ 121,926

UNIFIED SCHOOL DISTRICT NO. 331

TITLE I FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 200,895	\$ 198,194
CARES Funding	340,453	-
Total Receipts	541,348	198,194
Expenditures		
Instruction	541,348	198,194
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 331

TITLE II-A FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 39,750	\$ 37,619
Expenditures		
Instruction Support Services	41,757	37,619
Receipts Over (Under) Expenditures	(2,007)	-
Unencumbered Cash, Beginning	2,007	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 331

TITLE IV-A FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
State Aid	\$ 18,263	\$ 19,531
Expenditures		
Instruction Support Services	19,924	19,531
Receipts Over (Under) Expenditures	(1,661)	-
Unencumbered Cash, Beginning	1,661	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 331

CARL D. PERKINS GRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Grants	\$ 5,474	\$ 17,044
Expenditures		
Instruction	4,974	12,564
Instructional Support Services	500	4,480
Total Expenditures	5,474	17,044
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 331**GIFTS AND GRANTS FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Grants and Donations	\$ 70,463	\$ 16,272
Expenditures		
Grant Expenditures	44,217	17,202
Receipts Over (Under) Expenditures	26,246	(930)
Unencumbered Cash, Beginning	7,125	33,371
Unencumbered Cash, Ending	\$ 33,371	\$ 32,441

UNIFIED SCHOOL DISTRICT NO. 331**ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Grants and Donations	\$ -	\$ 305,000
Expenditures		
Instruction	-	164,012
Student Support Services	-	67,851
Instructional Support Services	-	63,520
School Administration	-	4,849
Central Services	-	10,667
Operations and Maintenance	-	12,541
Student Transportation Services	-	21,427
Total Expenditures	-	344,867
Receipts Over (Under) Expenditures	-	(39,867)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (39,867)

UNIFIED SCHOOL DISTRICT NO. 331**CONTINGENCY RESERVE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	\$ -	\$ -
Expenditures		
Operating Transfers	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	900,000	900,000
Unencumbered Cash, Ending	\$ 900,000	\$ 900,000

UNIFIED SCHOOL DISTRICT NO. 331**QZAB LEASE SINKING FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Lease Payments to Sinking Fund	\$ 125,000	\$ 125,000
Interest On Idle Funds	3,084	3,096
Total Receipts	128,084	128,096
Expenditures		
Debt Service	-	-
Receipts Over (Under) Expenditures	128,084	128,096
Unencumbered Cash, Beginning	1,154,745	1,282,829
Unencumbered Cash, Ending	\$ 1,282,829	\$ 1,410,925

UNIFIED SCHOOL DISTRICT NO. 331**BOND AND INTEREST FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2022****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2021)****SCHEDULE 2**

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	\$ 76	\$ -	\$ -	-
Delinquent Tax	7,458	2,469	-	2,469
Motor Vehicle Tax	25,958	-	-	-
Recreational Vehicle Tax	396	-	-	-
Commercial Vehicle Tax	343	-	-	-
Total Receipts	34,231	2,469	\$ -	\$ 2,469
Expenditures				
Debt Service	-	-	\$ -	-
Receipts Over (Under) Expenditures	34,231	2,469		
Unencumbered Cash, Beginning	472,924	507,155		
Unencumbered Cash, Ending	\$ 507,155	\$ 509,624		

UNIFIED SCHOOL DISTRICT NO. 331**SCHOLARSHIPS FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 2

Funds	Beginning		Ending	
	Unencumbered		Unencumbered	
	Cash Balance	Receipts	Expenditures	Cash Balance
Doris Near Fund	\$ 43,220	\$ 178	\$ 4,000	\$ 39,398
Ina Toland Scholarship	51,281	205	-	51,486
Martha Alford Scholarship	21,036	86	1,500	19,622
Pugh Scholarship Fund	28,752	144	-	28,896
Fred and Irene Cloud Scholarship	20,371	51	-	20,422
Ferguson Relief Fund	15,656	60	-	15,716
John and Ethel Whetzel Scholarship	12,917	52	-	12,969
Bob Vanlandingham Fund	6,045	24	500	5,569
Aaron Laing Memorial Fund	5,050	21	500	4,571
Sisters of Habit Scholarship	6,306	32	-	6,338
Greg Berry Scholarship	2,922	8	1,000	1,930
Adams Union Sunday School Scholarship	3,001	8	250	2,759
Ruth Miller Scholarship	282	2	284	-
Totals	\$ 216,839	\$ 871	\$ 8,034	\$ 209,676

UNIFIED SCHOOL DISTRICT NO. 331

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 3

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Kingman High School				
Class of '22	\$ 2,461	\$ -	\$ 702	\$ 1,759
Class of '23	6,332	1,297	2,906	4,723
Class of '24	1,284	1,824	968	2,140
Class of '25	681	-	62	619
Art Club	4,235	-	-	4,235
Band	30	571	601	-
Career Day	262	-	-	262
Cheerleaders	4,961	5,056	7,002	3,015
Choir	32	28	60	-
Community Experiences	2,004	-	184	1,820
Entrepreneurship Store	2,589	-	-	2,589
FBLA	7,771	33,902	40,776	897
FCA	408	-	-	408
FCCLA	3,375	10,962	11,226	3,111
FFA	2,684	12,255	7,926	7,013
FFA RODEO	1,336	-	-	1,336
Government Activities	244	-	-	244
Graphic Design	1,446	-	-	1,446
Interact	328	-	-	328
JAG	513	67	278	302
MS Cheerleaders	35	210	245	-
National Honor Society	735	1,045	1,607	173
SADD	183	-	-	183
Scholars Bowl	-	392	392	-
Science	228	-	-	228
Student Council HS	842	10,420	11,005	257
Student Council MS	4,043	976	1,131	3,888
TTLT	3,303	2,434	3,093	2,644
Outdoor Club	569	-	-	569
Veterans Day	589	-	-	589
Subtotal Kingman High School	53,503	81,439	90,164	44,778

UNIFIED SCHOOL DISTRICT NO. 331

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 3

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Norwich School				
Class of '21	\$ 3,906	\$ -	\$ 3,906	\$ -
Class of '22	453	1,122	1,099	476
Class of '23	3,854	10,852	10,510	4,196
Class of '24	-	1,305	129	1,176
4th Grade	21	138	138	21
3rd Grade	239	9	-	248
2nd Grade	265	9	-	274
1st Grade	62	9	-	71
Kindergarten	65	661	678	48
Pre-School	301	1,076	1,049	328
Cheerleaders	413	9,341	5,479	4,275
Cheerleaders Junior High	1,541	2,839	2,814	1,566
Engineering	589	-	-	589
Entrepreneurship Stores	741	-	-	741
Forensics	2,336	-	115	2,221
FCA	3,676	13,860	13,100	4,436
Graphic Design	1	-	-	1
Kayettes	2,116	5,811	6,268	1,659
National Honor Society	1,767	1,206	219	2,754
Outdoor Club	2,497	-	-	2,497
Productions	627	-	306	321
Quiz Bowl	12	30	30	12
SADD	5,551	5,165	5,561	5,155
SODA	2,187	-	-	2,187
Student Activities	5,348	2,286	1,675	5,959
Student Council	1,480	1,760	1,233	2,007
Student Discretionary	782	20	34	768
Student Elementary Activity	1,760	1,038	818	1,980
Subtotal Norwich School	42,590	58,537	55,161	45,966

UNIFIED SCHOOL DISTRICT NO. 331**AGENCY FUNDS****SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 3

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Kingman Elementary School				
Band	\$ 145	\$ -	\$ -	\$ 145
KDG - Memorial	2,425	-	-	2,425
Student Council	2,241	-	-	2,241
Student Activities	2,819	3,266	3,722	2,363
Subtotal Kingman Elementary	7,630	3,266	3,722	7,174
Total Student Organization Funds	103,723	143,242	149,047	97,918
Sales Tax				
Kingman High School	-	6,509	6,509	-
Subtotal Sales Tax	-	6,509	6,509	-
TOTAL AGENCY FUNDS	\$ 103,723	\$ 149,751	\$ 155,556	\$ 97,918

UNIFIED SCHOOL DISTRICT NO. 331

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2022

SCHEDULE 4

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts					
Kingman Elementary	\$ 1,966	\$ 225	\$ 25	\$ 2,166	\$ 2,166
Norwich School	24,529	26,421	28,843	22,107	22,107
Kingman High School	20,102	115,645	112,923	22,824	22,824
Subtotal Gate Receipts	46,597	142,291	141,791	47,097	47,097
School Projects					
Kingman Elementary	3,472	3,168	3,059	3,581	3,581
Norwich School	38,322	21,767	25,467	34,622	34,622
Kingman High School	21,229	7,561	6,067	22,723	22,723
Elementary Projects	666	-	-	666	666
Subtotal School Projects	63,689	32,496	34,593	61,592	61,592
Board Funds					
Kingman Elementary	-	17,536	17,536	-	-
Norwich School	565	29,344	29,909	-	-
Kingman High School	-	38,887	38,887	-	-
Subtotal Board Funds	565	85,767	86,332	-	-
TOTAL DISTRICT ACTIVITY FUNDS	\$ 110,851	\$ 260,554	\$ 262,716	\$ 108,689	\$ 108,689

UNIFIED SCHOOL DISTRICT NO. 331

SINGLE AUDIT SECTION

JUNE 30, 2022



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

To the Board of Education of Unified School District No. 331:

We have audited, in accordance with the 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, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Unified School District No. 331 (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 November 16, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 331's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 331's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 331'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 the 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. 331'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 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 results of that testing, and not to provide an opinion on the effectiveness of the Unified School District No. 331's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.

Salina, Kansas

November 16, 2022



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

To the Board of Education of Unified School District No. 331:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 331'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 Unified School District No. 331's major federal programs for the year ended June 30, 2022. Unified School District No. 331'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, Unified School District No. 331 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 of 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 the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Unified School District No. 331 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District No. 331's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Unified School District No. 331's federal programs.

Auditor's Responsibilities of 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. 331'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Unified School District's No. 331's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District No. 331'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 Unified School District No. 331'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 Unified School District No. 331'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 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 of 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 a material weakness, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas

November 16, 2022

UNIFIED SCHOOL DISTRICT NO. 331
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 331 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
2. No material weaknesses were identified and no significant deficiencies were reported in the design or operation of internal control over financial reporting.
3. No instances of noncompliance material to the financial statement of Unified School District No. 331, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses were identified and no significant deficiencies were reported during the audit of the major federal award program.
5. The auditor's report on compliance for each major federal program for Unified School District No. 331 expresses an unmodified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The programs tested as major programs: Child Nutrition Cluster, Assistance Listing Number 10.553, 10.555 and 10.559.
8. The threshold for distinguishing Type A and Type B programs was \$750,000 for major Federal programs.
9. Unified School District No. 331 was determined to not be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

None.

UNIFIED SCHOOL DISTRICT NO. 331
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT

Finding number: 2021-001

Finding summary: There was an inadequate design of internal control over the preparation of the schedule of expenditures of federal awards. The internal control system does not ensure preventing or detecting material misstatements.

Status: Corrective action has been taken.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

Finding number: 2021-002

Finding summary: There were no written policies for the internal control over the compliance of federal awards.

Status: Corrective action has been taken.

OTHER INFORMATION

UNIFIED SCHOOL DISTRICT NO. 331
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

	Assistance		
Federal Grantor/Program or Cluster Title	Listing Number	Pass-through Grantor and Number	Federal Expenditures
EXPENDITURES OF FEDERAL AWARDS			
Child Nutrition Cluster-Cluster			
United States Department of Agriculture			
School Breakfast Program (SBP)	10.553	Kansas State Department of Education, 3529-3490	\$ 101,965
National School Lunch Program	10.555	Kansas State Department of Education, 3530-3500	441,457
Summer Food Service Program for Children	10.559	Kansas State Department of Education, 3230-3020	74,042
Total United States Department of Agriculture			617,464
Total Child Nutrition Cluster-Cluster			617,464
Other Programs			
Department of Education			
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education, 3532-3520	198,194
Career and Technical Education--Basic Grants to States (Perkins V)	84.048	Kansas State Department of Education, 90180	17,044
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education, 3526-3860	37,619
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education, 3113-3113	19,531
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act (COVID-19)	84.425	Kansas State Department of Education, 3233-3040	314,865
Total Department of Education			587,253
Department of Health and Human Services			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	Kansas State Department of Education, 3592-3070	534
Total Department of Health and Human Services			534
United States Department of Agriculture			
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants (COVID-19)	10.649	Kansas State Department of Education, 3530-3500	614
Total United States Department of Agriculture			614
Total Other Programs			588,401
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,205,865

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 331

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 331 (the District) and is presented on the regulatory basis of accounting. 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the regulatory basis of accounting, as described in Note 2 to the District's financial statement.

3. DE MINIMIS INDIRECT COST RATE

In accordance with Section 2 U.S. *Code of Federal Regulations* Part 200.412 the District is allowed to elect to use the ten percent de minimis indirect cost rate. The District did not elect to use the 10% de minimis indirect cost rate.