



Certified Public Accountants

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS

FINANCIAL STATEMENT
YEAR ENDED JUNE 30, 2022

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
FINANCIAL STATEMENT
Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 3
Financial Statement:	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4 - 5
Notes to the Financial Statement	6 - 18
Supplementary Information:	
	<u>Schedule</u>
Summary of Expenditures – Actual and Budget	1 19
Schedule of Receipts and Expenditures – Actual and Budget or Actual Only:	2
General Fund	20
Supplemental General Fund	21
Adult Basic Education Fund	22
At Risk (4 Year Old) Fund	23
Adult Supplemental Education Fund	24
At Risk (K-12) Fund	25
Bilingual Education Fund	26
Virtual Education Fund	27
Capital Outlay Fund	28
Driver Training Fund	29
Food Service Fund	30
Professional Development Fund	31
Parent Education Program Fund	32
Summer School Fund	33
Special Education Fund	34
Cost of Living Fund	35
Career and Postsecondary Education Fund	36
KPERs Special Retirement Contribution Fund	37
Contingency Reserve Fund	38
Student Material Revolving Fund	39
Grants Fund	40
Bond and Interest Fund	41
Special Assessment Fund	42
Capital Project Fund	43
School Workers' Compensation Reserve Fund	44
Health Care Services Reserve Fund	45

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
FINANCIAL STATEMENT
Year Ended June 30, 2022

TABLE OF CONTENTS
(Continued)

		<u>Page</u>
Schedule of Receipts, Expenditures and Unencumbered Cash – Private and Other Purpose Trust Funds	3	46
Summary of Receipts and Disbursements – Agency Funds	4	47
Supplementary Information:		
Schedule of Expenditures of Federal Awards		48
Notes to the Schedule of Expenditures of Federal Awards		49
Schedule of Findings and Questioned Costs		50 - 51
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of a Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>		52 - 53
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance		54 - 56



INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on the Audit of the Financial Statement

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. 497, Lawrence, Kansas (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 the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the KMAAG. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the 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 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the KMAAG as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The schedules listed

under supplementary information in the accompanying table of contents including the 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* 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 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 1.

Other Matter – Report on Summarized Comparative Information

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 December 22, 2021, which contained an unmodified opinion on the basic financial statement. The 2021 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <https://admin.ks.gov/offices/oar/municipal-services>. The 2021 actual column (Prior Year Actual) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2022 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BT&Co., P.A.

December 7, 2022
Topeka, Kansas

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2022

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbered and Accounts Payable	Ending Cash Balance
Governmental fund types:							
General funds:							
General fund	\$ -	\$ -	\$ 79,650,682	\$ 79,650,682	\$ -	\$ 5,539,254	\$ 5,539,254
Supplemental general	2,661,049	-	24,279,227	24,665,585	2,274,691	2,065,133	4,339,824
Special purpose funds:							
Adult basic education	475,536	-	564,105	472,475	567,166	22,266	589,432
At risk (4 year old)	5,018	-	416,605	416,625	4,998	43,013	48,011
Adult supplemental education	25,982	-	-	-	25,982	-	25,982
At risk (K-12)	-	-	7,925,937	7,925,937	-	989,654	989,654
Bilingual education	-	-	731,769	731,769	-	60,798	60,798
Virtual education	-	-	4,412,918	4,412,918	-	440,627	440,627
Capital outlay	8,246,862	-	14,021,142	10,425,609	11,842,395	4,370,058	16,212,453
Driver training	6,707	-	12,352	118	18,941	-	18,941
Food service	858,604	-	6,388,884	5,457,083	1,790,405	259,984	2,050,389
Professional development	-	-	213,993	213,993	-	28,711	28,711
Parent education program	39,785	-	211,707	187,950	63,542	-	63,542
Summer school	35,782	-	19,855	25,605	30,032	4,555	34,587
Special education	2,125,962	-	26,822,982	26,222,707	2,726,237	2,011,012	4,737,249
Cost of living	341,725	-	2,347,778	1,955,035	734,468	-	734,468
Career and postsecondary education	-	-	1,786,025	1,786,025	-	219,417	219,417
KPERS Special retirement contribution	-	-	11,008,377	11,008,377	-	-	-
Contingency reserve	805,800	135,586	200,000	24,039	1,117,347	-	1,117,347
Student material revolving	1,115,655	-	793,772	1,587,693	321,734	443,297	765,031
Grants	(372,904)	-	6,564,014	7,930,729	(1,739,619)	665,998	(1,073,621)
Bond and interest funds:							
Bond and interest	12,778,572	-	14,346,623	13,953,763	13,171,432	-	13,171,432
Special assessment	477,907	-	11	7,048	470,870	-	470,870
Capital projects fund:							
Capital projects	561,527	-	577	562,104	-	78,601	78,601
Business funds:							
School workers' compensation reserve	1,094,701	-	402,669	481,166	1,016,204	71,500	1,087,704
Health care services reserve	355,771	-	13,274,707	13,140,953	489,525	-	489,525
Trust fund:							
Trusts - private purpose	1,990,392	-	1,910,640	1,772,247	2,128,785	139,571	2,268,356
Total reporting entity (Excluding agency funds)	<u>\$ 33,630,433</u>	<u>\$ 135,586</u>	<u>\$ 218,307,351</u>	<u>\$ 215,018,235</u>	<u>\$ 37,055,135</u>	<u>\$ 17,453,449</u>	<u>\$ 54,508,584</u>

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2022
(Continued)

Composition of cash:	
U.S. Bank - checking	\$ 51,947,941
Commerce Bank - certificates of deposit	4,883
Optum Bank - Imprest	25,420
District petty cash	<u>1,520</u>
 Total cash	 51,979,764
 Less agency funds per Schedule 4	 <u>2,528,820</u>
 Total reporting entity	 <u>\$ 54,508,584</u>
(Excluding agency funds)	<u><u> </u></u>

See accompanying notes to financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
Year Ended June 30, 2022

1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 497 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$ 1,036,281 and \$ 57,841 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee,
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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 accounting principles generally accepted in the United States of America and allowing the District to use the regulatory basis of accounting.

Fund Descriptions

The following regulatory basis fund types comprise the financial activities of the District for the year ended June 30, 2022:

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

General Fund and Supplemental General Fund - used to account for the general operations of the District and all unrestricted resources except those required to be accounted for in other funds.

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

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

Capital Projects 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.

Business Funds - financed in whole or in part by fees charged to users of the goods or services.

Trust Fund - funds used to report assets held in trust for the benefit of the District (donations and memorials, etc.).

Agency Funds - used to report assets held by the District in a purely custodial capacity (i.e. payroll clearing fund, sales tax fund, etc.)

Budgetary and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental 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 at 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 hold a revenue neutral rate hearing in the adoption of the fiscal year 2022 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District had no budget amendments for the year ended June 30, 2022.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

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 budgeted 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.

A legal operating budget is not required for capital project funds, business funds, trust funds, agency funds, and the following special purpose funds: Contingency Reserve and Student Material Revolving.

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.

2 - Deposits and Investments

Deposits. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

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

Investment Type	Fair Value	Investment Maturity	Rating
		Less Than 1 Year	
Certificate of deposit	\$ 25,420	\$ 25,420	N/A

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

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:

<u>Investment</u>	<u>Percentage of Investments</u>
Certificate of deposit	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. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. At June 30, 2022, the District's deposits were not exposed to custodial credit risk.

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.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District is not exposed to significant interest rate risk.

Fair value measurement - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Certificates of deposit are measured at cost.

3 - In-Substance Receipt in Transit

The District received \$ 2,500,193 subsequent to June 30, 2022 and as required by K.S.A 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

4 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2022:

Debt Issue	Date Issued	Maturity Date	Interest Rates	Original Amount	Balance June 30, 2022
General obligation bonds:					
2012A Refunding	12/15/2012	9/1/2025	2.00%	\$ 9,890,000	\$ 8,720,000
2013A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	28,375,000
2014A Improvement	12/18/2014	9/1/2034	2.00 - 5.00%	36,000,000	29,250,000
2016A Refunding & Improvement	1/28/2016	9/1/2035	3.00 - 5.00%	44,045,000	18,960,000
2017A Improvement	9/28/2017	9/1/2037	3.00 - 5.00%	43,500,000	38,850,000
2018A Improvement	10/11/2018	9/1/2037	2.50 - 5.00%	43,500,000	41,350,000
Capital leases:					
Energy savings equipment	7/12/2006	10/12/2025	4.90%	1,683,575	491,127
Real estate	7/1/2017	6/15/2027	2.70%	4,837,711	2,578,311
Field turf	5/22/2018	5/1/2028	3.35%	5,829,030	3,358,881
Technology equipment	2/25/2019	3/1/2022	0.00%	2,029,186	-
Technology equipment	2/27/2019	2/24/2024	2.83%	1,993,769	831,507
Technology equipment	3/30/2020	3/30/2023	0.00%	2,149,458	501,415
Improvements	2/13/2020	2/1/2030	2.09%	3,000,000	2,447,036
Technology equipment	2/1/2021	2/1/2024	0.00%	4,269,150	2,134,575
Total					<u>\$ 177,847,852</u>

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

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Balance	Interest Paid
General obligation bonds:					
2012A Refunding	\$ 8,840,000	\$ -	\$ 120,000	\$ 8,720,000	\$ 175,600
2013A Improvement	29,550,000	-	1,175,000	28,375,000	1,191,363
2014A Improvement	30,225,000	-	975,000	29,250,000	1,092,375
2016A Refunding & Improvement	22,970,000	-	4,010,000	18,960,000	945,050
2017A Improvement	39,400,000	-	550,000	38,850,000	1,516,281
2018A Improvement	41,900,000	-	550,000	41,350,000	1,653,094
Capital leases:					
Energy savings equipment	599,997	-	108,870	491,127	29,344
Real estate	3,053,767	-	475,456	2,578,311	79,264
Field turf	3,856,441	-	497,560	3,358,881	125,058
Technology equipment	507,296	-	507,296	-	-
Technology equipment	1,229,942	-	398,435	831,507	32,235
Technology equipment	1,050,762	-	549,347	501,415	-
Improvements	2,725,343	-	278,307	2,447,036	55,380
Technology equipment	3,201,862	-	1,067,287	2,134,575	-
	189,110,410	-	11,262,558	177,847,852	6,895,044
Early termination benefits	4,165,275	1,452,311	1,342,644	4,274,942	-
Total	<u>\$ 193,275,685</u>	<u>\$ 1,452,311</u>	<u>\$ 12,605,202</u>	<u>\$ 182,122,794</u>	<u>\$ 6,895,044</u>

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

Maturities of long-term debt and interest through maturity are as follows:

General Obligation Bonds			
<u>Year Ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2023	\$ 7,685,000	\$ 6,244,124	\$ 13,929,124
2024	8,060,000	5,864,939	13,924,939
2025	8,455,000	5,542,256	13,997,256
2026	8,705,000	5,294,550	13,999,550
2027	8,875,000	4,992,125	13,867,125
2028-2032	50,280,000	19,132,100	69,412,100
2033-2037	60,195,000	8,176,988	68,371,988
2038-2042	13,250,000	224,344	13,474,344
Total	<u>\$ 165,505,000</u>	<u>\$ 55,471,426</u>	<u>\$ 220,976,426</u>

Capital Leases			
<u>Year Ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2023	\$ 3,379,653	\$ 268,957	\$ 3,648,610
2024	2,932,172	215,024	3,147,196
2025	1,486,768	162,471	1,649,239
2026	1,531,539	117,512	1,649,051
2027	1,439,877	71,148	1,511,025
2028-2032	1,572,843	50,835	1,623,678
Total	<u>\$ 12,342,852</u>	<u>\$ 885,947</u>	<u>\$ 13,228,799</u>

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-5457.

5 - Early Retirement Benefits

The District has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full-time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERS).

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

The benefits from this plan are computed using a formula based upon salary, age, and KPERS service credit and are payable over a five-year period in January of each year. The cost of this plan in the fiscal year ended June 30, 2022, was \$ 1,342,644. The outstanding liability reflected in the financial statement for the retirees payable in January 2023 is approximately \$ 1,460,046 and is payable from the supplemental general fund.

The total liability is as follows:

Year Ended June 30,	
2023	\$ 1,460,046
2024	1,160,672
2025	842,586
2026	505,864
2027	305,774
	<hr/>
	\$ 4,274,942
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6 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2022, the liability for accrued vacation pay was \$ 432,460, representing the current portion or ten days.

<u>Fund</u>	<u>Amount</u>
General	\$ 86,918
Supplemental general	283,559
Food service	9,039
Career and postsecondary education	261
Special education	24,305
Capital outlay	9,959
Adult basic education	8,215
Virtual education	7,105
Bilingual education	3,099
	<hr/>
Total	\$ 432,460
	<hr/> <hr/>

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$ 10,768,118 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 \$ 86,006,024. 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 Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 government 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.

9 - 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 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.

10 - Tax-Deferred 403(b) Retirement Plan

The District offers its employees a retirement plan ("Plan") created in accordance with Internal Revenue Code Section 403(b). The Plan, available to all District employees, permits them to save additional funds for retirement. The investment options under the Plan include annuity contracts and/or custodial accounts. Employees may elect to make contributions of deferred salaries/wages to the Plan to the extent permitted by the Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan participants are 100% vested in any elective deferral contributions made to the Plan as of the date such contribution is made.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

In addition to the elective deferral plan described above, the District offers a Non-Elective Contribution Employer Paid Deferred Benefit 403(b) Plan ("Employer Paid Plan") for each professional employee employed at least half time in the District. This account is separate from any professional employee paid deferred benefit account, and no employee contributions, via salary reduction or otherwise, shall be allowed into the account.

The District contributes \$ 60 per month (\$ 720 annually) and \$ 75 per month (\$ 900 annually) into each full-time professional employee's Employer Paid Account, for classified and certified employees, respectively. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

<u>FTE</u>	<u>Contribution %</u>
.95 - 1.00	100%
.85 - .94	90%
.75 - .84	80%
.65 - .74	70%
.55 - .64	60%
.50 - .54	50%
Less than .50	0%

A professional employee's ownership interest in his or her Employer Paid Plan shall vest in yearly increments. A professional employee will receive one year of vesting credit for each contract year completed, starting with the 2008-09 contract year, in which the professional employee is employed at least half time with the district. The following vesting schedule will be used to determine the professional employee's ownership interest in the funds in the account:

<u>Vesting Service</u>	<u>Vesting Percentage</u>
Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

A professional employee shall have access to the vested portion of their Employer Paid Account upon separation from service with the District. In the event that the professional employee returns to a professional employee position within the District at future date, the previous years of service will be allowed toward placement on the vesting schedule.

District contributions to employees' Employer Paid Plans for the years ending June 30, 2022 and 2021 were \$ 1,354,040 and \$ 1,392,242, respectively.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

11 - Interfund Transactions

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Career and Postsecondary Education	K.S.A. 72-5167	\$ 1,170,371
General	Special Education	K.S.A. 72-5167	18,317,608
General	Virtual Education	K.S.A. 72-5167	4,377,220
General	Professional Development	K.S.A. 72-5167	173,731
General	Bilingual Education	K.S.A. 72-5167	503,681
General	At Risk (K-12)	K.S.A. 72-5167	5,355,740
General	At Risk (4 Year Old)	K.S.A. 72-5167	185,000
General	Contingency Reserve	K.S.A. 72-5167	200,000
Supplemental General Fund	Career and Postsecondary Education	K.S.A. 72-5143	586,260
Supplemental General Fund	Special Education	K.S.A. 72-5143	4,529,576
Supplemental General Fund	Professional Development	K.S.A. 72-5143	40,000
Supplemental General Fund	Bilingual Education	K.S.A. 72-5143	224,323
Supplemental General Fund	Parent Education Program	K.S.A. 72-5143	43,000
Supplemental General Fund	At Risk (K-12)	K.S.A. 72-5143	2,529,141
Supplemental General Fund	At Risk (4 Year Old)	K.S.A. 72-5143	208,760
General	Health Care Service Reserve	K.S.A. 74-6428	3,872,501
Supplemental General Fund	Health Care Service Reserve	K.S.A. 74-6428	1,940,955
Food Service	Health Care Service Reserve	K.S.A. 72-8415a	315,549
Career and Postsecondary Education	Health Care Service Reserve	K.S.A. 72-8415a	144,453
Special Education	Health Care Service Reserve	K.S.A. 72-8415a	2,657,965
Capital Outlay	Health Care Service Reserve	K.S.A. 72-8415a	67,969
Adult Basic Education	Health Care Service Reserve	K.S.A. 72-8415a	33,299
Virtual Education	Health Care Service Reserve	K.S.A. 72-8415a	303,174
Bilingual Education	Health Care Service Reserve	K.S.A. 72-8415a	80,097
Parent Education Program	Health Care Service Reserve	K.S.A. 72-8415a	22,719
At Risk (K-12)	Health Care Service Reserve	K.S.A. 72-8415a	815,464
At Risk (4 Year Old)	Health Care Service Reserve	K.S.A. 72-8415a	45,053
Grants	Health Care Service Reserve	K.S.A. 72-8415a	400,812
General	School Workers' Compensation Reserve	K.S.A. 44-505e	151,645
Supplemental General Fund	School Workers' Compensation Reserve	K.S.A. 44-505e	49,900
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	7,101
Career and Postsecondary Education	School Workers' Compensation Reserve	K.S.A. 44-505e	6,337
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	84,168
Capital Outlay	School Workers' Compensation Reserve	K.S.A. 44-505e	9,035
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	106
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,741
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	14,718
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	563
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,664
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	734
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	32,323
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	1,692
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	31,814
Local/Donations/Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	73
			<u>\$ 49,539,035</u>

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

12 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have not been significant reductions in coverage from prior years.

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2022, such interfund premiums did not exceed reimbursable expenditures.

Unpaid claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Unpaid claims include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities during the past year are as follows:

Unpaid claims, July 1, 2021	\$ 464,913
Incurred claims (including IBNRs)	(33,038)
Claim payments and adjustments	<u>(14,707)</u>
Unpaid claims, June 30, 2022	<u><u>\$ 417,168</u></u>

13 - Capital Projects

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
School facilities & technology upgrade - Phase II	\$ 95,475,025	\$ 95,118,268
Turf improvements lease	<u>5,898,274</u>	<u>5,617,040</u>
Total	<u><u>\$ 101,373,299</u></u>	<u><u>\$ 100,735,308</u></u>

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE FINANCIAL STATEMENT
(Continued)

14 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2022.

On September 24, 2015, the Universal Service Administrative Company (USAC) rescinded certain e-rate reimbursements received by the District for the 2011-2012 through 2013-2014 funding years and denied e-rate reimbursements for the 2014-2015 through 2015-2016 funding years because of competitive bidding violations. The amount of the District's potential liability due to these rescinded reimbursements is approximately \$ 500,000. The District has filed an appeal with the Federal Communication Commission, but a response to the appeal had not been received as of the date of the financial statements.

The District is a defendant in various other lawsuits. The outcome of these lawsuits is not presently determinable. However, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the District operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the District. Accordingly, while management cannot quantify the financial and other impacts to the District as of June 30, 2022, management believes that a material impact on the District's financial position and results of future operations is reasonably possible.

15 - Stewardship, Compliance and Accountability

The District exceeded its cash authority by \$ 1,739,619 in the Grants Fund as a result of spending federal grant money prior to reimbursement from the federal agencies.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
Year Ended June 30, 2022

Funds	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Positive (Negative)
General funds:						
General fund	\$ 85,005,458	\$ (6,391,057)	\$ 1,036,281	\$ 79,650,682	\$ 79,650,682	\$ -
Supplemental general	25,818,785	(1,211,031)	57,831	24,665,585	24,665,585	-
Special purpose funds:						
Adult basic education	600,000	-	-	600,000	472,475	127,525
At risk (4 year old)	600,000	-	-	600,000	416,625	183,375
Adult supplemental education	25,981	-	-	25,981	-	25,981
At risk (K-12)	9,000,000	-	-	9,000,000	7,925,937	1,074,063
Bilingual education	1,200,000	-	-	1,200,000	731,769	468,231
Virtual education	7,000,000	-	-	7,000,000	4,412,918	2,587,082
Capital outlay	19,042,000	-	-	19,042,000	10,425,609	8,616,391
Driver training	100,000	-	-	100,000	118	99,882
Food service	7,500,000	-	-	7,500,000	5,457,083	2,042,917
Professional development	650,000	-	-	650,000	213,993	436,007
Parent education program	300,000	-	-	300,000	187,950	112,050
Summer school	100,000	-	-	100,000	25,605	74,395
Special education	32,900,000	-	-	32,900,000	26,222,707	6,677,293
Cost of living	2,700,000	-	-	2,700,000	1,955,035	744,965
Career and postsecondary education	2,300,000	-	-	2,300,000	1,786,025	513,975
KPERS special retirement contribution	14,198,722	-	-	14,198,722	11,008,377	3,190,345
Grants	22,236,376	-	-	22,236,376	7,930,729	14,305,647
Bond and interest funds:						
Bond and interest	13,954,763	-	-	13,954,763	13,953,763	1,000
Special assessment	400,000	-	-	400,000	7,048	392,952

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
GENERAL FUND
REGULATORY BASIS
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
State aid:				
Equalization aid	\$ 67,259,551	\$ 66,126,532	\$ 70,734,433	\$ (4,607,901)
Special education aid	12,803,364	12,487,869	14,271,025	(1,783,156)
Reimbursed expenses	698,418	1,036,281	-	1,036,281
Total receipts	80,761,333	79,650,682	\$ 85,005,458	\$ (5,354,776)
Expenditures and transfers:				
Instruction	29,827,778	28,234,989	\$ 31,163,000	\$ 2,928,011
Student support services	3,764,320	3,787,612	4,212,689	425,077
Instructional support	1,722,463	1,692,340	1,802,904	110,564
General administration	117,251	155,908	185,550	29,642
School administration	341,796	307,728	395,754	88,026
Operations and maintenance	8,783,369	9,809,237	9,136,985	(672,252)
Transportation	290,721	343,349	381,604	38,255
Other supplemental services	1,038,381	1,012,022	1,370,833	358,811
Transfers out	34,875,254	34,307,497	36,356,139	2,048,642
Adjustment to comply with legal max budget			(6,391,057)	(6,391,057)
Adjustment for qualifying budget credits			1,036,281	1,036,281
Total expenditures and transfers	80,761,333	79,650,682	\$ 79,650,682	\$ -
Receipts over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
SUPPLEMENTAL GENERAL FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 18,442,178	\$ 17,068,029	\$ 17,100,496	\$ (32,467)
Delinquent tax	247,571	188,287	280,938	(92,651)
Motor vehicle tax	1,639,263	1,568,600	1,460,431	108,169
Reimbursed expenses	35,790	57,831	-	57,831
State aid	5,990,799	5,396,480	5,662,060	(265,580)
Total receipts	26,355,601	24,279,227	\$ 24,503,925	\$ (224,698)
Expenditures and transfers:				
Instruction	1,318,430	973,206	\$ 2,474,442	\$ 1,501,236
Student support services	270,609	283,640	495,907	212,267
Instructional support	2,574,426	2,614,719	2,825,210	210,491
General administration	671,780	324,446	354,546	30,100
School administration	4,728,247	4,580,292	4,830,120	249,828
Operations and maintenance	43,134	48,660	77,100	28,440
Transportation	1,570,801	2,137,758	2,000,000	(137,758)
Other supplemental services	3,126,891	3,550,949	3,468,460	(82,489)
Transfers out	10,425,613	10,151,915	9,293,000	(858,915)
Adjustment to comply with legal max budget			(1,211,031)	(1,211,031)
Adjustment for qualifying budget credits			57,831	57,831
Total expenditures and transfers	24,729,931	24,665,585	\$ 24,665,585	\$ -
Receipts over (under) expenditures and transfers	1,625,670	(386,358)		
Unencumbered cash, beginning	1,035,379	2,661,049		
Unencumbered cash, ending	\$ 2,661,049	\$ 2,274,691		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
ADULT BASIC EDUCATION FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 381,884	\$ 391,691	\$ 372,039	\$ 19,652
Delinquent tax	3,007	2,767	5,847	(3,080)
Motor vehicle tax	9,588	29,109	27,031	2,078
Federal aid	86,725	82,803	82,351	452
State aid	53,584	53,083	52,528	555
Reimbursed expenses	1,058	1,800	-	1,800
Miscellaneous	3,229	2,852	5,000	(2,148)
Total receipts	539,075	564,105	\$ 544,796	\$ 19,309
Expenditures and transfers:				
Instruction	319,342	326,346	\$ 462,934	\$ 136,588
Student support services	29,531	29,482	37,401	7,919
Instructional support staff	42,215	49,435	59,665	10,230
Operations and maintenance	32,172	32,172	40,000	7,828
Transfers out	34,447	35,040	-	(35,040)
Total expenditures and transfers	457,707	472,475	\$ 600,000	\$ 127,525
Receipts over expenditures and transfers	81,368	91,630		
Unencumbered cash, beginning	394,168	475,536		
Unencumbered cash, ending	\$ 475,536	\$ 567,166		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
AT RISK (4 YEAR OLD) FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Miscellaneous	\$ -	\$ 19,955	\$ 150,000	\$ (130,045)
Reimbursed expenses	1,839	2,390	-	2,390
Donations	100,000	500	-	500
Transfers in	346,500	393,760	450,000	(56,240)
Total receipts and transfers	448,339	416,605	\$ 600,000	\$ (183,395)
Expenditures and transfers:				
Instruction	269,717	244,410	\$ 408,596	\$ 164,186
Student support services	11,655	-	45,617	45,617
Instructional support staff	86,851	95,673	109,017	13,344
School administration	29,493	29,797	36,770	6,973
Transfers out	50,193	46,745	-	(46,745)
Total expenditures and transfers	447,909	416,625	\$ 600,000	\$ 183,375
Receipts and transfers over (under) expenditures and transfers	430	(20)		
Unencumbered cash, beginning	4,588	5,018		
Unencumbered cash, ending	\$ 5,018	\$ 4,998		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
ADULT SUPPLEMENTAL EDUCATION FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Instruction	-	-	25,981	25,981
Total expenditures	-	-	\$ 25,981	\$ 25,981
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	25,982	25,982		
Unencumbered cash, ending	\$ 25,982	\$ 25,982		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
AT RISK (K-12) FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Transfers in	\$ 7,295,717	\$ 7,884,881	\$ 8,874,049	\$ (989,168)
Reimbursed expenses	27,308	41,056	125,951	(84,895)
Total receipts and transfers	7,323,025	7,925,937	\$ 9,000,000	\$ (1,074,063)
Expenditures and transfers:				
Instruction	6,475,747	7,039,534	\$ 8,952,883	\$ 1,913,349
Instructional support staff	36,764	38,616	47,117	8,501
Transfers out	810,514	847,787	-	(847,787)
Total expenditures and transfers	7,323,025	7,925,937	\$ 9,000,000	\$ 1,074,063
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
BILINGUAL EDUCATION FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Transfers in	\$ 723,461	\$ 728,004	\$ 1,045,000	\$ (316,996)
Reimbursed expenses	2,618	3,765	155,000	(151,235)
Total receipts and transfers	726,079	731,769	\$ 1,200,000	\$ (468,231)
Expenditures and transfers:				
Instruction	432,751	408,906	\$ 968,618	\$ 559,712
Student support services	116,972	111,240	126,154	14,914
Instructional support	96,060	128,862	105,228	(23,634)
Transfers out	80,296	82,761	-	(82,761)
Total expenditures and transfers	726,079	731,769	\$ 1,200,000	\$ 468,231
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
VIRTUAL EDUCATION FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Reimbursed expenses	\$ 36,208	\$ 22,585	\$ -	\$ 22,585
Charges for services	23	-	-	-
Miscellaneous	24,520	13,113	237,910	(224,797)
Transfers in	5,186,948	4,377,220	6,762,090	(2,384,870)
Total receipts and transfers	5,247,699	4,412,918	\$ 7,000,000	\$ (2,587,082)
Expenditures and transfers:				
Instruction	4,137,639	3,518,944	\$ 6,144,671	\$ 2,625,727
Student support services	116,668	125,216	130,981	5,765
Instructional support	21,528	23,082	30,860	7,778
School administration	561,256	395,893	594,500	198,607
Operations and maintenance	86,157	31,891	98,988	67,097
Transfers out	324,451	317,892	-	(317,892)
Total expenditures and transfers	5,247,699	4,412,918	\$ 7,000,000	\$ 2,587,082
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
CAPITAL OUTLAY FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 10,229,416	\$ 10,460,841	\$ 9,950,482	\$ 510,359
Delinquent tax	132,762	101,097	155,881	(54,784)
Motor vehicle tax	890,128	871,400	811,824	59,576
Investment income	670	1,613	-	1,613
Reimbursed expenses	2,542	4,088	-	4,088
Lease proceeds	1,289,657	1,833,063	2,000,000	(166,937)
Miscellaneous	470,562	697,833	-	697,833
Donations	-	9,119	-	9,119
State aid	102,598	-	-	-
Flood control	517	42,088	-	42,088
Total receipts	13,118,852	14,021,142	\$ 12,918,187	\$ 1,102,955
Expenditures and transfers:				
Instruction	928,563	305,267	\$ 2,000,000	\$ 1,694,733
Student support services	9,605	2,743	25,000	22,257
Instructional support	128	9,145	25,000	15,855
General administration	7,668	-	25,000	25,000
School administration	15,767	16,175	25,000	8,825
Operations and maintenance	206,117	1,111,318	2,000,000	888,682
Central support services	276,170	3,072,179	1,700,000	(1,372,179)
Other support services	64,576	92,324	5,000,000	4,907,676
Facility acquisition and construction services	7,484,794	5,739,454	8,242,000	2,502,546
Transfers out	77,577	77,004	-	(77,004)
Total expenditures and transfers	9,070,965	10,425,609	\$ 19,042,000	\$ 8,616,391
Receipts over expenditures and transfers	4,047,887	3,595,533		
Unencumbered cash, beginning	4,198,975	8,246,862		
Unencumbered cash, ending	\$ 8,246,862	\$ 11,842,395		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
DRIVER TRAINING FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
State aid	\$ -	\$ 11,102	\$ 21,600	\$ (10,498)
Charges for services	17,785	1,250	71,691	(70,441)
Total receipts	17,785	12,352	\$ 93,291	\$ (80,939)
Expenditures and transfers:				
Instruction	29,913	118	\$ 81,450	\$ 81,332
Instructional support	1,534	-	4,550	4,550
Operations and maintenance	500	-	14,000	14,000
Transfers out	146	-	-	-
Total expenditures and transfers	32,093	118	\$ 100,000	\$ 99,882
Receipts over (under) expenditures and transfers	(14,308)	12,234		
Unencumbered cash, beginning	21,015	6,707		
Unencumbered cash, ending	\$ 6,707	\$ 18,941		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOOD SERVICE FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Federal aid	\$ 4,035,806	\$ 6,301,611	\$ 6,907,623	\$ (606,012)
State aid	38,442	45,344	40,000	5,344
Charges for services	29,524	41,926	501,729	(459,803)
Miscellaneous	-	-	35,000	(35,000)
Investment income	5	3	-	3
Total receipts	<u>4,103,777</u>	<u>6,388,884</u>	<u>\$ 7,484,352</u>	<u>\$ (1,095,468)</u>
Expenditures and transfers:				
Food services	3,055,224	5,134,433	\$ 7,500,000	\$ 2,365,567
Transfers out	<u>311,455</u>	<u>322,650</u>	<u>-</u>	<u>(322,650)</u>
Total expenditures and transfers	<u>3,366,679</u>	<u>5,457,083</u>	<u>\$ 7,500,000</u>	<u>\$ 2,042,917</u>
Receipts over expenditures and transfers	737,098	931,801		
Unencumbered cash, beginning	<u>121,506</u>	<u>858,604</u>		
Unencumbered cash, ending	<u>\$ 858,604</u>	<u>\$ 1,790,405</u>		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
PROFESSIONAL DEVELOPMENT FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Miscellaneous	\$ 12,835	\$ 262	\$ 150,000	\$ (149,738)
State aid	66,884	-	-	-
Transfers in	212,163	213,731	500,000	(286,269)
Total receipts and transfers	291,882	213,993	\$ 650,000	\$ (436,007)
Expenditures and transfers:				
Instructional support	284,635	204,218	\$ 650,000	\$ 445,782
Student support services	-	1,500	-	(1,500)
General administration	(600)	-	-	-
School administration	7,502	7,712	-	(7,712)
Transfers out	345	563	-	(563)
Total expenditures and transfers	291,882	213,993	\$ 650,000	\$ 436,007
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
PARENT EDUCATION PROGRAM FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
State aid	\$ 128,003	\$ 126,774	\$ 162,515	\$ (35,741)
Federal aid	-	9,829	-	9,829
Miscellaneous	34,570	32,104	79,700	(47,596)
Transfers in	18,000	43,000	18,000	25,000
Total receipts and transfers	180,573	211,707	\$ 260,215	\$ (48,508)
Expenditures and transfers:				
Support services	162,195	164,497	\$ 285,000	\$ 120,503
Instructional support staff	600	-	15,000	15,000
Transfers out	17,805	23,453	-	(23,453)
Total expenditures and transfers	180,600	187,950	\$ 300,000	\$ 112,050
Receipts and transfers over (under) expenditures and transfers	(27)	23,757		
Unencumbered cash, beginning	39,812	39,785		
Unencumbered cash, ending	\$ 39,785	\$ 63,542		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
SUMMER SCHOOL FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Charges for services	\$ 25,288	\$ 12,415	\$ 64,220	\$ (51,805)
Reimbursed expenses	-	7,440	-	7,440
Total receipts	25,288	19,855	\$ 64,220	\$ (44,365)
Expenditures and transfers:				
Instruction	24,839	25,499	\$ 100,000	\$ 74,501
Transfers out	79	106	-	(106)
Total expenditures and transfers	24,918	25,605	\$ 100,000	\$ 74,395
Receipts over (under) expenditures and transfers	370	(5,750)		
Unencumbered cash, beginning	35,412	35,782		
Unencumbered cash, ending	\$ 35,782	\$ 30,032		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
SPECIAL EDUCATION FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
State aid	\$ 294,155	\$ 296,613	\$ 20,000	\$ 276,613
Federal aid	2,607,771	2,827,933	3,927,716	(1,099,783)
Reimbursed expenses	756,202	851,252	868,000	(16,748)
Transfers in	23,096,080	22,847,184	26,000,000	(3,152,816)
Total receipts and transfers	26,754,208	26,822,982	\$ 30,815,716	\$ (3,992,734)
Expenditures and transfers:				
Instruction	15,155,938	14,891,731	\$ 22,643,768	\$ 7,752,037
Student support services	4,126,051	4,289,241	4,797,914	508,673
Instructional support staff	1,222,781	1,266,561	1,443,318	176,757
School administration	78	103	-	(103)
Operations and maintenance	5,325	221	100,000	99,779
Vehicle operating services	2,785,724	3,032,695	3,900,000	867,305
Other supplemental services	5,515	22	15,000	14,978
Transfers out	3,038,936	2,742,133	-	(2,742,133)
Total expenditures and transfers	26,340,348	26,222,707	\$ 32,900,000	\$ 6,677,293
Receipts and transfers over expenditures and transfers	413,860	600,275		
Unencumbered cash, beginning	1,712,102	2,125,962		
Unencumbered cash, ending	\$ 2,125,962	\$ 2,726,237		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
COST OF LIVING FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 1,074,006	\$ 2,239,554	\$ 2,252,599	\$ (13,045)
Delinquent tax	16,271	11,130	16,321	(5,191)
Motor vehicle tax	100,256	97,094	89,354	7,740
Total receipts	1,190,533	2,347,778	\$ 2,358,274	\$ (10,496)
Expenditures:				
State payment	1,167,944	1,955,035	\$ 2,700,000	\$ 744,965
Total expenditures	1,167,944	1,955,035	\$ 2,700,000	\$ 744,965
Receipts over expenditures	22,589	392,743		
Unencumbered cash, beginning	319,136	341,725		
Unencumbered cash, ending	\$ 341,725	\$ 734,468		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
CAREER AND POSTSECONDARY EDUCATION FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Reimbursed expenses	\$ 4,833	\$ 29,394	\$ 300,000	\$ (270,606)
Miscellaneous	7,052	-	-	-
Transfers in	1,708,712	1,756,631	2,000,000	(243,369)
Total receipts and transfers	1,720,597	1,786,025	\$ 2,300,000	\$ (513,975)
Expenditures and transfers:				
Instruction	1,443,345	1,492,557	\$ 2,170,312	\$ 677,755
Instructional support	33,582	42,856	42,188	(668)
Operations and maintenance	79,227	99,004	87,500	(11,504)
Student transportation	1,752	818	-	(818)
Transfers out	162,691	150,790	-	(150,790)
Total expenditures and transfers	1,720,597	1,786,025	\$ 2,300,000	\$ 513,975
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
State aid	\$ 10,756,607	\$ 11,008,377	\$ 14,198,722	\$ (3,190,345)
Total receipts	10,756,607	11,008,377	\$ 14,198,722	\$ (3,190,345)
Expenditures:				
Instruction	7,519,944	7,398,534	\$ 9,542,707	\$ 2,144,173
Student support services	752,962	1,074,459	1,385,850	311,391
Instructional support	577,630	725,084	935,221	210,137
General administration	64,540	43,966	56,708	12,742
School administration	670,137	624,608	805,626	181,018
Operations and maintenance	375,405	428,278	552,397	124,119
Other supplemental services	468,988	370,183	477,466	107,283
Food service	327,001	343,265	442,747	99,482
Total expenditures	10,756,607	11,008,377	\$ 14,198,722	\$ 3,190,345
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
CONTINGENCY RESERVE FUND*
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Receipts:		
Transfer in	\$ -	\$ 200,000
Expenditures:		
General administration	-	24,039
Operations and maintenance	392,558	-
Total expenditures	392,558	24,039
Receipts over (under) expenditures	(392,558)	175,961
Unencumbered cash, beginning	1,198,358	805,800
Prior year cancelled encumbrance	-	135,586
Unencumbered cash, ending	\$ 805,800	\$ 1,117,347

*This fund is not required to be budgeted

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
STUDENT MATERIAL REVOLVING FUND*
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Receipts:		
Charges for services	\$ 856,695	\$ 793,772
Expenditures:		
Instruction	1,094,410	1,587,693
Receipts (under) expenditures	(237,715)	(793,921)
Unencumbered cash, beginning	1,353,370	1,115,655
Unencumbered cash, ending	\$ 1,115,655	\$ 321,734

*This fund is not required to be budgeted

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
GRANTS FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Title I	\$ 2,129,192	\$ 1,594,783	\$ 2,292,848	\$ (698,065)
Title IIA - Improving Teacher Quality	197,728	299,513	533,975	(234,462)
Carl Perkins Vocational Act Program				
Improvement	83,947	55,591	-	55,591
Title III	90,884	66,444	95,432	(28,988)
Title IV	97,531	59,441	66,047	(6,606)
Johnson O'Malley Grant	53,374	12,642	-	12,642
ESSER II (CRRSAA)	-	3,065,186	6,039,481	(2,974,295)
ESSER III (ARPA)	-	1,244,919	13,573,376	(12,328,457)
Education Stabilization Fund	1,574,882	-	-	-
Coronavirus Relief Fund	1,425,716	-	-	-
Other federal aid	123,786	165,495	-	165,495
Total receipts and transfers	5,777,040	6,564,014	\$ 22,601,159	\$ (16,037,145)
Expenditures and transfers:				
Instruction	2,954,828	5,438,250	\$ 9,071,876	\$ 3,633,626
Student support services	451,277	789,070	1,040,000	250,930
Instructional support staff	602,747	711,354	1,278,000	566,646
General administration	884	19,077	-	(19,077)
School administration	36,708	151,773	130,500	(21,273)
Operations and maintenance	1,050,252	186,648	9,700,000	9,513,352
Transportation	52,263	13,518	-	(13,518)
Other supplemental services	399	97,708	-	(97,708)
Food service operation	173,940	90,705	1,016,000	925,295
Transfers out	244,985	432,626	-	(432,626)
Total expenditures and transfers	5,568,283	7,930,729	\$ 22,236,376	\$ 14,305,647
Receipts and transfers over (under)				
expenditures and transfers	208,757	(1,366,715)		
Unencumbered cash, beginning	(581,661)	(372,904)		
Unencumbered cash, ending	\$ (372,904)	\$ (1,739,619)		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
BOND AND INTEREST FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem taxes	\$ 12,706,367	\$ 12,762,812	\$ 12,134,328	\$ 628,484
Delinquent tax	171,334	129,743	193,428	(63,685)
Motor vehicle tax	1,198,293	1,097,290	1,021,015	76,275
State aid	93,741	-	-	-
Miscellaneous	-	356,757	-	356,757
Reimbursed expenses	-	8	-	8
Investment income	14	13	-	13
Total receipts	14,169,749	14,346,623	\$ 13,348,771	\$ 997,852
Expenditures:				
Bond principal	7,130,000	7,380,000	\$ 7,380,000	\$ -
Interest	6,861,588	6,573,763	6,573,763	-
Fees	-	-	1,000	1,000
Total expenditures	13,991,588	13,953,763	\$ 13,954,763	\$ 1,000
Receipts over expenditures	178,161	392,860		
Unencumbered cash, beginning	12,600,411	12,778,572		
Unencumbered cash, ending	\$ 12,778,572	\$ 13,171,432		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
SPECIAL ASSESSMENT FUND
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Delinquent tax	\$ 135	\$ 11	\$ -	\$ 11
Expenditures:				
Capital outlay	6,793	7,048	\$ 400,000	\$ 392,952
Receipts (under) expenditures	(6,658)	(7,037)		
Unencumbered cash, beginning	484,565	477,907		
Unencumbered cash, ending	\$ 477,907	\$ 470,870		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
CAPITAL PROJECTS FUND*
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Receipts:		
Investment income	\$ 776	\$ 577
Lease proceeds	425,212	-
Total receipts	425,988	577
Expenditures:		
Instruction	1,034,473	313,684
Food services	201,800	10,865
Business services	20,449	-
Building repair and remodeling	2,493,471	237,555
Total expenditures	3,750,193	562,104
Receipts (under) expenditures	(3,324,205)	(561,527)
Unencumbered cash, beginning	3,885,732	561,527
Unencumbered cash, ending	\$ 561,527	\$ -

* This fund is not required to be budgeted.

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
SCHOOL WORKERS' COMPENSATION RESERVE FUND*
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Receipts and transfers:		
Transfers in	\$ 312,096	\$ 394,614
Miscellaneous	22,190	7,993
Reimbursed expenses	-	62
	<u>334,286</u>	<u>402,669</u>
Total receipts and transfers	<u>334,286</u>	<u>402,669</u>
Expenditures:		
Instruction	173,318	280,410
General administration	138,585	200,756
	<u>311,903</u>	<u>481,166</u>
Total expenditures	<u>311,903</u>	<u>481,166</u>
Receipts and transfers over (under) expenditures	22,383	(78,497)
Unencumbered cash, beginning	<u>1,072,318</u>	<u>1,094,701</u>
Unencumbered cash, ending	<u>\$ 1,094,701</u>	<u>\$ 1,016,204</u>

*This fund is not required to be budgeted.

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
HEALTH CARE SERVICES RESERVE FUND*
REGULATORY BASIS
(Continued)
Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Receipts and transfers:		
Miscellaneous	\$ 2,506,747	\$ 2,574,666
Investment income	-	31
Transfers in	11,554,579	10,700,010
	<hr/>	<hr/>
Total receipts and transfers	14,061,326	13,274,707
Expenditures:		
Instruction	13,919,139	13,140,953
	<hr/>	<hr/>
Receipts and transfers over expenditures	142,187	133,754
Unencumbered cash, beginning	213,584	355,771
	<hr/>	<hr/>
Unencumbered cash, ending	\$ 355,771	\$ 489,525
	<hr/> <hr/>	<hr/> <hr/>

*This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
PRIVATE AND OTHER PURPOSE TRUST FUNDS
REGULATORY BASIS
Year Ended June 30, 2022

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Lawrence Public Schools:							
Memorial funds	\$ 216,149	\$ -	\$ 10,000	\$ 8,955	\$ 217,194	\$ -	\$ 217,194
Local donations fund	1,774,243	-	1,900,640	1,763,292	1,911,591	139,571	2,051,162
Total other private purpose trust funds	<u>\$ 1,990,392</u>	<u>\$ -</u>	<u>\$ 1,910,640</u>	<u>\$ 1,772,247</u>	<u>\$ 2,128,785</u>	<u>\$ 139,571</u>	<u>\$ 2,268,356</u>

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
AGENCY FUNDS
REGULATORY BASIS
Year Ended June 30, 2022

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>Petty Cash Funds:</u>				
<u>Elementary Schools</u>				
Broken Arrow Elementary	\$ 1,000	\$ -	\$ 1,000	\$ -
Cordley Elementary	1,000	-	1,000	-
Deerfield Elementary	1,000	-	1,000	-
Hillcrest Elementary	1,000	-	1,000	-
Kennedy Elementary	990	15	1,005	-
Langston Hughes Elementary	1,000	-	1,000	-
New York Elementary	1,000	110	1,110	-
Pinckney Elementary	1,000	350	1,350	-
Prairie Park Elementary	1,000	22	1,022	-
Quail Run Elementary	1,000	-	1,000	-
Schwegler Elementary	1,000	10	1,010	-
Sunflower Elementary	991	44	1,035	-
Sunset Hill Elementary	1,000	10	1,010	-
Woodlawn Elementary	1,000	5	1,005	-
Total Elementary Schools	13,981	566	14,547	-
<u>Middle Schools</u>				
Billy Mills Middle School	1,200	5,925	5,925	1,200
Liberty Memorial Central Middle School	780	4,320	3,900	1,200
Southwest Middle School	1,200	5,510	5,220	1,490
West Middle School	6,081	789	5,670	1,200
Total Middle Schools	9,261	16,544	20,715	5,090
<u>High Schools</u>				
Free State High School	1,500	811	811	1,500
Lawrence High School	1,484	2,921	2,905	1,500
Total High Schools	2,984	3,732	3,716	3,000
Total Student Petty Cash Funds	26,226	20,842	38,978	8,090
<u>Other Agency Funds:</u>				
Sales Tax Fund	1,036	45,809	45,657	1,188
Payroll Clearing Fund	(2,504,534)	97,889,242	97,922,806	(2,538,098)
Total Other Agency Funds	(2,503,498)	97,935,051	97,968,463	(2,536,910)
Total Agency Funds	<u>\$ (2,477,272)</u>	<u>\$ 97,955,893</u>	<u>\$ 98,007,441</u>	<u>\$ (2,528,820)</u>

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Agriculture:					
Passed Through Kansas State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$ -	\$ 830,550	\$ 830,550	\$ -
National School Lunch Program	10.555	-	4,587,961	3,073,351	1,514,610
COVID-19 - National School Lunch Program	10.555	-	70,083	70,083	-
Summer Food Service Program for Children	10.559	669,749	809,955	1,479,704	-
Subtotal Child Nutrition Cluster		669,749	6,298,549	5,453,688	1,514,610
COVID-19 - Pandemic EBT Administration Costs	10.649	-	3,063	3,063	-
Total U.S. Department of Agriculture		669,749	6,301,612	5,456,751	1,514,610
U.S. Department of Interior:					
477 Cluster:					
Indian Education Assistance to Schools	15.130	62,266	12,642	43,060	31,848
U.S. Department of Education:					
Indian Education - Formula Grants to Local Education Agencies	84.060	5,979	95,522	110,701	(9,200)
Passed through Kansas State Department of Education:					
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	51,896	2,704,730	2,762,399	(5,773)
Special Education Preschool Grants	84.173	-	90,283	90,283	-
Subtotal Special Education (IDEA) Cluster		51,896	2,795,013	2,852,682	(5,773)
Title I Grants to Local Educational Agencies	84.010	128,195	1,594,782	1,763,673	(40,696)
Vocational Education Basic Grants to States	84.048	15,652	55,771	95,168	(23,745)
English Language Acquisition Grants	84.365	(38,673)	66,444	50,316	(22,545)
Improving Teacher Quality State Grants	84.367	(42,804)	299,513	270,577	(13,868)
Title IV Student Support Academic Enrichment	84.424	923	59,441	61,244	(880)
COVID-19 - Education Stabilization Fund	84.425D	(495,692)	4,310,105	5,393,963	(1,579,550)
Passed through Kansas Board of Regents:					
Adult Education	84.002	-	82,803	82,803	-
Total U.S. Department of Education		(374,524)	9,359,394	10,681,127	(1,696,257)
U.S. Department of Health and Human Services:					
Passed through Kansas Department of Health and Environment:					
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	-	69,973	142,207	(72,234)
Passed through Kansas Parents As Teachers Association (KPATA):					
Title IV-E Prevention Program	93.472	-	9,829	9,829	-
Passed through the Boys and Girls Club:					
Child Care and Development Block Grant	93.575	-	107,230	53,350	53,880
Total U.S. Department of Health and Human Services		-	187,032	205,386	(18,354)
Total		\$ 357,491	\$ 15,860,680	\$ 16,386,324	\$ (168,153)

See accompanying notes to Schedule of
Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2022. The information in the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statement. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the regulatory basis of accounting, as described in Note 1 to the District's financial statement. The District elected not to use the 10% de minimis indirect cost rate.

3 - Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2022.

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

Section I – Summary of Independent Auditors’ Results

Financial Statement

Type of report issued on whether the financial statement audited was prepared in accordance with GAAP	Adverse
Type of auditors’ report issued on the basis of accounting used by the District:	Unmodified – Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statement noted:	None

Federal Awards

Type of auditors’ report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Any audit findings that are required to be Reported in accordance with Section 2 CFR 200.516(a):	None
Identification of major programs:	
<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I Grants to Local Education Agencies
84.425D	Elementary and Secondary School Emergency Relief (ESSER II and III) Fund

UNIFIED SCHOOL DISTRICT NO. 497
LAWRENCE, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as low-risk auditee:	No
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Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



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

Board of Education
Unified School District No. 497
Lawrence, Kansas

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, the financial statement of the Unified School District No. 497 (the District) which comprises the summary statement of regulatory basis receipts, expenditures and unencumbered cash for the year ended June 30, 2022, and the related notes to the financial statements and have issued our report thereon dated December 7, 2022. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of 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 District'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 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Report on 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 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "BT&Co, P.A.".

December 7, 2022
Topeka, Kansas



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 497's (the District'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 the 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 Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally applicable 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 regulations 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on 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.

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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control

over compliance that we consider to be material weaknesses, as defined above. However, material 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.

BT&Co, P.A.

December 7, 2022
Topeka, Kansas