UNIFIED SCHOOL DISTRICT NO. 309

FINANCIAL STATEMENT
JUNE 30, 2023

BFR

UNIFIED SCHOOL DISTRICT NO. 309
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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 309
Nickerson, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 309, Nickerson, Kansas**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 309, Nickerson, Kansas**, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Unified School District No. 309, Nickerson, Kansas**, as of **June 30, 2023**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Unified School District No. 309, Nickerson, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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Board of Education
Unified School District No. 309

Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 309, Nickerson, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Unified School District No. 309, Nickerson, Kansas'** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **Unified School District No. 309, Nickerson, Kansas'** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Unified School District No. 309, Nickerson, Kansas'** ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements, and district activity funds schedules of regulatory basis cash receipts, expenditures, and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Unified School District No. 309, Nickerson, Kansas**, as of and for the year ended June 30, 2022, and have issued our report thereon dated May 1, 2023, which contained an unmodified opinion on the basic financial statement.

The 2022 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 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2022 (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 2022 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 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 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 2022 basic financial statement or to the 2022 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 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024, on our consideration of **Unified School District No. 309, Nickerson, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Unified School District No. 309, Nickerson, Kansas'** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Unified School District No. 309, Nickerson, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC
BFR CPA, LLC
May 28, 2024

UNIFIED SCHOOL DISTRICT NO. 309
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 9,725,484	$ 9,725,484	$ 0	$ 26,155	$ 26,155
Special Purpose Funds							
Supplemental General	140,503	0	2,835,899	2,910,861	65,541	9,104	74,645
Preschool-Aged At-Risk	4,029	0	70,376	59,405	15,000	0	15,000
At Risk (K-12)	419,750	0	1,737,873	1,306,000	851,623	0	851,623
Bilingual Education	0	0	47,393	32,393	15,000	0	15,000
Virtual Education	0	0	269,968	204,968	65,000	0	65,000
Capital Outlay	1,650,715	0	1,063,599	1,126,959	1,587,355	111,726	1,699,081
Driver Training	27,470	0	10,048	11,942	25,576	0	25,576
Food Service	355,803	0	890,272	883,116	362,959	0	362,959
Professional Development	3,007	0	30,631	32,500	1,138	0	1,138
Parent Education	0	0	24,959	14,959	10,000	0	10,000
Special Education	0	0	1,819,692	1,691,258	128,434	0	128,434
Career and Postsecondary Education	0	0	259,774	194,774	65,000	1,740	66,740
KPERS Contribution	0	0	1,093,021	1,093,021	0	0	0
Federal Funds	(33,822)	0	1,056,240	1,082,478	(60,060)	201,279	141,219
Gifts and Grants	11,496	0	414,615	350,534	75,577	0	75,577
Contingency Reserve	327,803	0	139,685	0	467,488	0	467,488
Textbook & Student Material Revolving	91,923	0	34,711	85,775	40,859	185	41,044
District Activity Funds	79,582	0	156,750	148,984	87,348	0	87,348
Bond & Interest Fund	362,833	0	885	0	363,718	0	363,718
	$ 3,441,092	$ 0	$ 21,681,875	$ 20,955,411	$ 4,167,556	$ 350,189	$ 4,517,745

Composition of Cash:		
	Checking Accounts	$ 535,041
	Savings Accounts	3,750,971
	Certificate of Deposit	300,000
		4,586,012
	Agency Funds	(68,267)
		$ 4,517,745

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

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Unified School District No. 309 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Nickerson and South Hutchinson, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

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

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

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

Budget and Tax Cycle

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

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2023.

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

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

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

Federal Funds
Contingency Reserve Fund
District Activity Funds
Gifts and Grants Fund
Textbook & Student Material Revolving Fund

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

Note 2 - Defined Benefit Pension Plan:

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.20% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual paymentsof $19.4 million starting in fiscal year 2020.

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

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09% to 13.33% and Fiscal Year 2023 from 13.86% to 13.11%. The bond proceeds were received by KPERS on August 26, 2021. The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred to KPERS. In Fiscal Year 2023, Senate Bill 421 authorizes two additional transfers which total $271 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,093,021 for the year ended June 30, 2023.

Net Pension Liability

At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $10,744,768. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. 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, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 3 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:												
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Virtual Education	Food Service	Professional Development	Parent Education	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material Revolving	Total
General Fund	$ 15,000	$1,381,595	$ 15,000	$ 65,000	$ 3,107	$ 0	$ 10,000	$1,760,772	$ 65,000	$ 139,685	$ 20,000	$3,475,159
Supplemental General Fund	55,376	356,278	32,393	204,968	0	24,979	14,959	0	188,248	0	0	877,201
	$ 70,376	$1,737,873	$ 47,393	$ 269,968	$ 3,107	$ 24,979	$ 24,959	$1,760,772	$ 253,248	$ 139,685	$ 20,000	$4,352,360

Note 4 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 5 - Post Employment Benefits:

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

Note 6 - Other Post Employment Benefits:

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, 2023.

Note 7 - Reimbursed Expenditures:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Note 8 - Contingencies:

Grant Programs
The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal three years.

Note 9 - 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.

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $4,586,012 and the bank balance was $5,461,460. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $632,199 was covered by federal depository insurance and the remaining $4,829,261 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Note 10 - Subsequent Events:

The District has evaluated subsequent events through May 28, 2024, the date which the financial statement was available to be issued.

On September 12, 2023, the District issued General Obligation bonds in the amount of $7,600,000 for the purpose of financing school building improvements. The bonds have interest rates of 4.00% and 5.00% and a final maturity on September 1, 2032. Principal payments are due annually on September 1. Interest payments are due semi-annually on March 1 and September 1. Interest payments commence on March 1, 2024 and principal payments on September 1, 2024.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 309
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 9,771,842	$ (54,443)	$ 8,085	$ 9,725,484	$ 9,725,484	$ 0
Special Purpose Funds						
Supplemental General	2,894,215	0	16,646	2,910,861	2,910,861	0
Preschool-Aged At-Risk	80,100	0	0	80,100	59,405	(20,695)
At Risk (K-12)	1,306,000	0	0	1,306,000	1,306,000	0
Bilingual Education	62,550	0	0	62,550	32,393	(30,157)
Virtual Education	244,074	0	0	244,074	204,968	(39,106)
Capital Outlay	2,540,000	0	0	2,540,000	1,126,959	(1,413,041)
Driver Training	30,050	0	0	30,050	11,942	(18,108)
Food Service	966,500	0	0	966,500	883,116	(83,384)
Professional Development	47,000	0	0	47,000	32,500	(14,500)
Parent Education	29,000	0	0	29,000	14,959	(14,041)
Special Education	2,058,747	0	0	2,058,747	1,691,258	(367,489)
Career and Postsecondary Education	460,500	0	0	460,500	194,774	(265,726)
KPERS Contribution	1,209,034	0	0	1,209,034	1,093,021	(116,013)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,082,478	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	350,534	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	85,775	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	148,984	XXXXXXXXXX
Bond & Interest Fund	0	0	0	0	0	0
	$ 21,699,612	$ (54,443)	$ 24,731	$ 21,669,900	$ 20,955,411	$ (2,382,260)

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 14,019	$ 8,710	$ 0	$ 8,710
State Sources	9,385,381	9,716,774	9,771,842	(55,068)
	9,399,400	9,725,484	$ 9,771,842	$ (46,358)
Expenditures				
Instruction	3,608,868	3,247,695	$ 3,635,000	$ (387,305)
Student Support Services	254,799	282,393	269,250	13,143
Instructional Support Staff	232,459	214,002	243,200	(29,198)
General Administration	407,951	527,154	414,563	112,591
School Administration	754,128	841,556	761,600	79,956
Central Services	125,401	95,520	136,000	(40,480)
Operations & Maintenance	938,660	452,798	616,000	(163,202)
Student Transportation Services	540,410	589,207	499,000	90,207
Transfers	2,536,724	3,475,159	3,197,229	277,930
Adjustment to Comply with Legal Max	0	0	(54,443)	54,443
Adjustment for Qualifying Budget Credits	0	0	8,085	(8,085)
	9,399,400	9,725,484	$ 9,725,484	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,224,153	$ 1,311,154	$ 52,457	$ 1,258,697
County Sources	160,589	147,678	134,510	13,168
State Sources	1,354,780	1,377,067	1,377,067	0
	2,739,522	2,835,899	$ 1,564,034	$ 1,271,865
Expenditures				
Instruction	655,169	1,027,126	$ 678,878	$ 348,248
Student Support Services	92,590	157,404	108,100	49,304
Instructional Support Staff	150,517	124,379	168,100	(43,721)
General Administration	10,862	37,589	16,500	21,089
School Administration	73,395	75,093	85,100	(10,007)
Central Services	257,033	178,088	285,862	(107,774)
Operations & Maintenance	385,932	418,377	397,000	21,377
Student Transportation Services	1,637	4,915	2,000	2,915
Other Support Services	5,822	10,689	0	10,689
Transfers	1,104,779	877,201	1,152,675	(275,474)
Adjustment for Qualifying Budget Credits	0	0	16,646	(16,646)
	2,737,736	2,910,861	$ 2,910,861	$ 0
Receipts Over (Under) Expenditures	1,786	(74,962)		
Unencumbered Cash, Beginning	138,717	140,503		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 140,503	$ 65,541		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Preschool-Aged At-Risk Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 45,000	$ 70,376	$ 75,000	$ (4,624)
	45,000	70,376	$ 75,000	$ (4,624)
Expenditures				
Instruction	58,896	59,405	$ 80,100	$ (20,695)
	58,896	59,405	$ 80,100	$ (20,695)
Receipts Over (Under) Expenditures	(13,896)	10,971		
Unencumbered Cash, Beginning	17,925	4,029		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 4,029	$ 15,000		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

At Risk (K-12) Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 1,422,874	$ 1,737,873	$ 1,609,904	$ 127,969
	1,422,874	1,737,873	$ 1,609,904	$ 127,969
Expenditures				
Instruction	1,164,617	1,306,000	$ 1,306,000	$ 0
	1,164,617	1,306,000	$ 1,306,000	$ 0
Receipts Over (Under) Expenditures	258,257	431,873		
Unencumbered Cash, Beginning	161,493	419,750		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 419,750	$ 851,623		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 30,021	$ 47,393	$ 50,000	$ (2,607)
	30,021	47,393	$ 50,000	$ (2,607)
Expenditures				
Instruction	50,519	32,393	$ 62,550	$ (30,157)
	50,519	32,393	$ 62,550	$ (30,157)
Receipts Over (Under) Expenditures	(20,498)	15,000		
Unencumbered Cash, Beginning	20,498	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 15,000		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 122,681	$ 269,968	$ 200,000	$ 69,968
	122,681	269,968	$ 200,000	$ 69,968
Expenditures				
Instruction	156,237	162,718	$ 234,074	$ (71,356)
Instructional Support Staff	8,570	42,250	5,000	37,250
General Administration	5,000	0	5,000	(5,000)
	169,807	204,968	$ 244,074	$ (39,106)
Receipts Over (Under) Expenditures	(47,126)	65,000		
Unencumbered Cash, Beginning	47,126	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 65,000		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 689,688	$ 715,434	$ 677,320	$ 38,114
County Sources	83,931	82,631	75,269	7,362
State Sources	251,135	265,534	268,043	(2,509)
Transfers	256,231	0	0	0
	1,280,985	1,063,599	$ 1,020,632	$ 42,967
Expenditures				
Instruction	144,055	172,546	$ 500,000	$ (327,454)
Student Support Services	0	0	200,000	(200,000)
General Administration	21,757	1,267	50,000	(48,733)
School Administration	299	2,032	50,000	(47,968)
Central Services	10,888	43,213	40,000	3,213
Operations & Maintenance	211,586	810,410	650,000	160,410
Transportation	72,201	30	200,000	(199,970)
Other Support Services	0	0	50,000	(50,000)
Facility Acquisition & Construction Services	632,753	97,461	800,000	(702,539)
	1,093,539	1,126,959	$ 2,540,000	$ (1,413,041)
Receipts Over (Under) Expenditures	187,446	(63,360)		
Unencumbered Cash, Beginning	1,463,269	1,650,715		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,650,715	$ 1,587,355		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Driver Training Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 8,278	$ 912	$ 0	$ 912
State Sources	12,200	9,136	6,750	2,386
	20,478	10,048	$ 6,750	$ 3,298
Expenditures				
Instruction	19,927	11,942	$ 28,050	$ (16,108)
Vehicle Operations, Maintenance Services	0	0	2,000	(2,000)
	19,927	11,942	$ 30,050	$ (18,108)
Receipts Over (Under) Expenditures	551	(1,894)		
Unencumbered Cash, Beginning	26,919	27,470		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 27,470	$ 25,576		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Food Service Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 24,642	$ 170,028	$ 206,999	$ (36,971)
State Sources	6,195	5,995	4,800	1,195
Federal Sources	982,927	711,142	438,787	272,355
Transfers	0	3,107	0	3,107
	1,013,764	890,272	$ 650,586	$ 239,686
Expenditures				
School Administration	37,877	36,887	$ 0	$ 36,887
Operations & Maintenance	16,095	0	45,500	(45,500)
Food Service Operation	797,140	846,229	921,000	(74,771)
	851,112	883,116	$ 966,500	$ (83,384)
Receipts Over (Under) Expenditures	162,652	7,156		
Unencumbered Cash, Beginning	193,151	355,803		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 355,803	$ 362,959		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 100	$ 0	$ 0	$ 0
State Sources	4,075	5,652	6,000	(348)
Transfers	0	24,979	0	24,979
	4,175	30,631	$ 6,000	$ 24,631
Expenditures				
Instructional Support Staff	24,381	32,500	$ 40,000	$ (7,500)
Central Services	5,890	0	7,000	(7,000)
	30,271	32,500	$ 47,000	$ (14,500)
Receipts Over (Under) Expenditures	(26,096)	(1,869)		
Unencumbered Cash, Beginning	29,103	3,007		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 3,007	$ 1,138		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Parent Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 547	$ 24,959	$ 10,000	$ 14,959
	547	24,959	$ 10,000	$ 14,959
Expenditures				
Student Support Services	14,598	14,959	$ 29,000	$ (14,041)
	14,598	14,959	$ 29,000	$ (14,041)
Receipts Over (Under) Expenditures	(14,051)	10,000		
Unencumbered Cash, Beginning	14,051	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 10,000		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 51,552	$ 17,079	$ 0	$ 17,079
Federal Sources	22,043	41,841	0	41,841
Transfers	1,528,600	1,760,772	1,935,000	(174,228)
	1,602,195	1,819,692	$ 1,935,000	$ (115,308)
Expenditures				
Instruction	1,783,476	1,544,292	$ 1,892,047	$ (347,755)
Student Transportation Services	139,637	146,966	166,700	(19,734)
	1,923,113	1,691,258	$ 2,058,747	$ (367,489)
Receipts Over (Under) Expenditures	(320,918)	128,434		
Unencumbered Cash, Beginning	320,918	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 128,434		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 1,500	$ 6,526	$ 0	$ 6,526
Transfers	235,549	253,248	410,000	(156,752)
	237,049	259,774	$ 410,000	$ (150,226)
Expenditures				
Instruction	371,703	194,774	$ 455,500	$ (260,726)
Operations & Maintenance	1,109	0	5,000	(5,000)
	372,812	194,774	$ 460,500	$ (265,726)
Receipts Over (Under) Expenditures	(135,763)	65,000		
Unencumbered Cash, Beginning	135,763	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 65,000		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

KPERS Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 1,129,938	$ 1,093,021	$ 1,209,034	$ (116,013)
	1,129,938	1,093,021	1,209,034	$ (116,013)
Expenditures				
Instruction	683,777	655,813	$ 695,000	$ (39,187)
Student Support Services	56,565	54,651	65,000	(10,349)
Instructional Support Staff	56,565	54,651	65,000	(10,349)
General Administration	56,565	54,651	65,000	(10,349)
School Administration	86,746	87,442	95,000	(7,558)
Other Support Services	34,539	32,791	40,000	(7,209)
Operations & Maintenance	86,103	87,442	95,000	(7,558)
Student Transportation Services	34,539	32,790	45,000	(12,210)
Food Service Operation	34,539	32,790	44,034	(11,244)
	1,129,938	1,093,021	$ 1,209,034	$ (116,013)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Bond & Interest Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,735	$ 885	$ 0	$ 885
	1,735	885	$ 0	$ 885
Expenditures				
Debt Service	0	0	$ 0	$ 0
	0	0	$ 0	$ 0
Receipts Over (Under) Expenditures	1,735	885		
Unencumbered Cash, Beginning	361,098	362,833		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 362,833	$ 363,718		

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 777,137	$ 1,056,240
	777,137	1,056,240
Expenditures		
Instruction	521,153	809,217
Student Support Services	24,790	44,919
Instructional Support Staff	1,194	0
General Administration	590	0
Central Services	7,085	6,470
Operations & Maintenance	39,784	0
Student Transportation Services	8,676	3,069
Facility Acquisition & Construction Services	0	218,803
	603,272	1,082,478
Receipts Over (Under) Expenditures	173,865	(26,238)
Unencumbered Cash, Beginning	(207,687)	(33,822)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (33,822)	$ (60,060)

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 35,261	$ 137,387
State Sources	169,593	149,476
Federal Sources	81,090	127,752
	285,944	414,615
Expenditures		
Instruction	328,160	350,534
Food Service Operation	1,490	0
	329,650	350,534
Receipts Over (Under) Expenditures	(43,706)	64,081
Unencumbered Cash, Beginning	55,202	11,496
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 11,496	$ 75,577

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 139,685
	0	139,685
Expenditures		
Operations & Maintenance	172,197	0
	172,197	0
Receipts Over (Under) Expenditures	(172,197)	139,685
Unencumbered Cash, Beginning	457,016	327,803
Prior Year Canceled Encumbrances	42,984	0
Unencumbered Cash, Ending	$ 327,803	$ 467,488

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Textbook & Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 31,743	$ 14,711
Transfers	0	20,000
	31,743	34,711
Expenditures		
Instruction	16,191	85,775
	16,191	85,775
Receipts Over (Under) Expenditures	15,552	(51,064)
Unencumbered Cash, Beginning	76,371	91,923
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 91,923	$ 40,859

UNIFIED SCHOOL DISTRICT NO. 309
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Nickerson High School				
Class of 2022	$ 0	$ 117	$ 117	$ 0
Class of 2023	3,010	2,367	6,365	(988)
Class of 2024	0	3,779	0	3,779
Class of 2025	0	415	0	415
HCC English	0	1,200	120	1,080
HCC Math	0	600	0	600
Cheerleaders	2,646	7,247	7,774	2,119
Faculty Fund	1,700	306	452	1,554
Debate	1,255	1,676	1,943	988
Creative Writing	138	0	138	0
Forensics	1,404	1,041	1,707	738
Art Class	1,040	750	750	1,040
FBLA	4,364	5,834	4,389	5,809
FCCLA	1,476	400	426	1,450
Spanish Club	11	0	11	0
Key Club	267	50	267	50
Instrumental Music	939	3,405	2,936	1,408
Vocal Music	161	0	0	161
Madrigals	1,941	1,246	3,002	185
Yearbook/Publications	5,804	6,293	5,919	6,178
SAVE/SADD	585	0	585	0
Production Metals	1,507	0	1,527	(20)
Scholars Bowl	1,243	175	904	514
Productions/Musical	4,463	3,229	2,641	5,051
School Play	100	0	0	100
Science Club	676	50	676	50
Madrigals Trip	2,705	10,240	11,627	1,318
Drama Club	59	161	231	(11)
Skills USA	5,546	2,260	6,989	817
STUCO-General	3,793	2,400	2,104	4,089
Entrepreneurship	2,308	2,257	4,256	309
Women's Empowerment	9	0	9	0
Book Club	1	0	1	0
FCA	1,095	650	801	944
Panther TV Group	1,546	4,059	3,662	1,943
Scholarships	200	4,991	1,939	3,252
Panther Pride Education	1,058	400	400	1,058
Hutchinson Community	1,002	0	0	1,002
Prairie Quilt Guild Grant	1,434	0	0	1,434
Social/Emotional	23	1,500	1,000	523
Sales Tax	0	5,402	5,402	0
	55,509	74,500	81,070	48,939

UNIFIED SCHOOL DISTRICT NO. 309
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Reno Valley Middle School				
7th Grade	413	0	252	161
8th Grade	1,332	552	1,111	773
PAWS	1,149	1,905	2,000	1,054
Instrumental Music	633	8,148	8,504	277
Yearbook/Publications	1,220	782	1,162	840
STUCO-General	499	1,020	1,109	410
Sales Tax	0	9	3	6
	5,246	12,416	14,141	3,521
Nickerson Elementary School				
Stuco General	7,097	3,688	5,334	5,451
NES/CO Yearbook	14	142	0	156
5K Run	2,926	0	0	2,926
	10,037	3,830	5,334	8,533
South Hutchinson Elementary School				
Spirit Account	220	0	220	0
Yearbook	3,805	1,408	1,418	3,795
Food Pantry	2,394	0	0	2,394
STUCO-General	0	1,552	467	1,085
	6,419	2,960	2,105	7,274
Total Agency Funds	$ 77,211	$ 93,706	$ 102,650	$ 68,267

UNIFIED SCHOOL DISTRICT NO. 309
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Nickerson High School							
Athletics	$ 32,259	$ 0	$ 89,430	$ 81,944	$ 39,745	$ 0	$ 39,745
Concession/Vending Machines	4,836	0	37,361	35,943	6,254	0	6,254
	37,095	0	126,791	117,887	45,999	0	45,999
Reno Valley Middle School							
Athletics	1,016	0	3,321	2,964	1,373	0	1,373
School Projects	5,951	0	900	3,264	3,587	0	3,587
Concession/Vending Machines	1,011	0	7,356	6,474	1,893	0	1,893
	7,978	0	11,577	12,702	6,853	0	6,853
Nickerson Elementary School							
Hutchinson Foundation Grant	1,035	0	0	0	1,035	0	1,035
Rimmer Fund	25	0	1,100	1,022	103	0	103
NES heal	740	0	0	0	740	0	740
TGIF Grant - Music	0	0	500	500	0	0	0
Donations	0	0	225	0	225	0	225
BCBS Healthy Habits for Life	3,046	0	0	0	3,046	0	3,046
	4,846	0	1,825	1,522	5,149	0	5,149
South Hutchinson Elementary School							
HCF Grants	1	0	1,750	0	1,751	0	1,751
Outdoor Classroom	3,997	0	0	286	3,711	0	3,711
Fine Art Grant	200	0	0	895	(695)	0	(695)
Potter's Plumbing	55	0	0	34	21	0	21
Vision & Hearing	0	0	677	237	440	0	440
Simple Abundance Farm LLC Krehbiel	0	0	700	500	200	0	200
Simple Abundance Farm LLC Pre-K Donation	185	0	0	185	0	0	0
SCKLS School Library Grant	0	0	1,000	1,000	0	0	0
Laps for Learning	25,225	0	12,430	13,736	23,919	0	23,919
	29,663	0	16,557	16,873	29,347	0	29,347
Total District Activity Funds	$ 79,582	$ 0	$ 156,750	$ 148,984	$ 87,348	$ 0	$ 87,348

FEDERAL AWARD INFORMATION

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

Board of Education
Unified School District No. 309
Nickerson, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 309, Nickerson, Kansas**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statement, which collectively comprise **Unified School District No. 309, Nickerson, Kansas'** basic financial statement, and have issued our report thereon dated May 28, 2024. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Unified School District No. 309, Nickerson, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 309, Nickerson, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 309, Nickerson, Kansas'** internal control.

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

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Board of Education
Unified School District No. 309

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 309, Nickerson, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

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

BFR CPA, LLC

BFR CPA, LLC
May 28, 2024

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

Board of Education
Unified School District No. 309
Nickerson, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 309, Nickerson, Kansas'** compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 309, Nickerson, Kansas'** major federal programs for the year ended **June 30, 2023**. **Unified School District No. 309, Nickerson, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Unified School District No. 309, Nickerson, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2023**.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of **Unified School District No. 309, Nickerson, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Unified School District No. 309, Nickerson, Kansas'** compliance with the compliance requirements referred to above.

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Board of Education
Unified School District No. 309

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **Unified School District No. 309, Nickerson, Kansas'** federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Unified School District No. 309, Nickerson, Kansas'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Unified School District No. 309, Nickerson, Kansas'** compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Unified School District No. 309, Nickerson, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Unified School District No. 309, Nickerson, Kansas'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 309, Nickerson, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of Education
Unified School District No. 309

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weakness or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

BFR CPA, LLC
May 28, 2024

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grant Title	Assistance Listing Number	Program Amount	Expenditures
(Passes Through Kansas Department of Education)			
Department of Agriculture			
Child Nutrition Cluster-Cluster			
School Breakfast Program	10.553	$ 120,465	$ 120,465
National School Lunch Program	10.555	424,679	424,679
Summer Food Service Program for Children	10.559	153,423	325,397
Fresh Fruit and Vegetable Program	10.582	12,575	12,575
		711,142	883,116
Department of Education			
Title I Grants to Local Educational Agencies	84.010	205,754	213,705
Supporting Effective Instruction State Grants	84.367	32,031	19,319
Student Support and Academic Enrichment Program	84.424	20,580	20,581
COVID-19 Education Stabilization Fund	84.425D	907,582	251,536
COVID-19 Education Stabilization Fund	84.425U	1,624,945	457,186
		2,790,892	962,327
Department of Health and Human Services			
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	240,865	203,835
TANF Cluster-Cluster			
Temporary Assistance for Needy Families State Programs	93.558	127,752	127,752
		368,617	331,587
Total Federal Awards		$ 3,870,651	$ 2,177,030

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 309, Nickerson, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement in accordance with the regulatory basis of accounting of **Unified School District No. 309, Nickerson, Kansas**.

2. No significant deficiencies and no material weaknesses were reported in the Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statement of **Unified School District No. 309, Nickerson, Kansas**, was disclosed during the audit.

4. No significant deficiencies and one material weakness were reported in the Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award programs for **Unified School District No. 309, Nickerson, Kansas**, expresses an unmodified opinion on all major federal programs.

6. There were no audit findings relative to the major federal award programs for **Unified School District No. 309, Nickerson, Kansas**.

7. The programs tested as major programs were:

Epidemiology and Laboratory Capacity for Infectious Diseases	93.323
COVID-19 Education Stabilization Fund	84.425D
COVID-19 Education Stabilization Fund	84.425U

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

9. **Unified School District No. 309, Nickerson, Kansas** was determined not to be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

There are no prior audit findings.