UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

Financial Statements

For the Year Ended June 30, 2023

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UNIFIED SCHOOL DISTRICT NO. 253
Financial Statements
For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 253
Emporia, Kansas

Report on the Audit of the Financial Statements

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. 253, Emporia, Kansas (the District), as of and for the year ended June 30, 2023 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, 2023, 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, 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 (GAAS), the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 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 this 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of receipts and disbursements-agency funds and the schedule of regulatory basis receipts, expenditures and unencumbered cash-district activities (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for 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 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated January 17, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Other Matters

Other Matter

The District's basic financial statement for the year ended June 30, 2022 (not presented herein), was audited by other auditors whose report dated October 31, 2022, expressed an unmodified opinion on the basic financial statement. The 2022 basic financial statement and the other auditor's report are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The report of the other auditors dated October 31, 2022, stated that the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2022, 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

January 17, 2024

UNIFIED SCHOOL DISTRICT NO. 253
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 33,761,136	$ 33,761,136	$ -	$ 123,492	$ 123,492
Supplemental General	282,325	10	10,462,851	10,563,865	181,321	58,464	239,785
Special Purpose Funds:							
Adult Education	4,243	-	128,082	132,325	-	-	-
Bilingual Education	5,458	-	775,788	706,634	74,612	-	74,612
At-Risk (K-12)	1	-	7,266,817	5,290,826	1,975,992	30,290	2,006,282
Preschool-Aged At-Risk	2,767	477	435,000	432,608	5,636	874	6,510
Capital Outlay	3,182,545	19,856	4,680,744	3,738,509	4,144,636	1,638,777	5,783,413
Driver Training	42,178	-	49,800	34,810	57,168	-	57,168
Extraordinary School Program	8,690	-	5,000	518	13,172	-	13,172
Food Service	1,174,002	-	2,987,406	3,317,904	843,504	42,910	886,414
Professional Development	51,589	707	448,559	154,282	346,573	462	347,035
Summer School	62,579	-	-	12,938	49,641	-	49,641
Special Education	1,000,000	-	6,930,196	6,579,770	1,350,426	-	1,350,426
Career and Postsecondary Education	206,587	-	633,453	612,034	228,006	48,824	276,830
KPERS Special Retirement Contribution	-	-	5,364,340	5,364,340	-	-	-
Virtual Education	15,067	-	-	-	15,067	-	15,067
Flint Hills Special Education Cooperative	1,842,890	-	12,264,319	12,902,684	1,204,525	20,422	1,224,947
Contingency Reserve	1,637,867	-	-	-	1,637,867	-	1,637,867
Textbook Rental Fee	532,574	-	793,217	533,319	792,472	86,514	878,986
Other Federal, State and Local Grant	[121,250]	-	5,861,652	5,535,322	205,080	245,680	450,760
District Activities	174,574	-	269,432	273,736	170,270	-	170,270
Bond and Interest Fund:							
Bond and Interest	5,914,288	-	4,098,544	4,585,500	5,427,332	-	5,427,332
Capital Project Fund:							
Facility Acquisition and Construction	44,782,199	13,736	645,236	24,541,305	20,899,866	101,755	21,001,621
Trust Funds							
Daisy Ferguson Grimes Trust	43,845	-	3,375	312	46,908	-	46,908
Total Reporting Entity (excluding Agency Funds)	$ 60,845,018	$ 34,786	$ 97,864,947	$ 119,074,677	$ 39,670,074	$ 2,398,464	$ 42,068,538

Composition of Cash:

Lyon County Bank	
Checking	$ 130,052
ESB Financial	
Checking	243,032
Kansas Municipal Investment Pool	
Investment Pool	20,102,792
Bank of Oklahoma	
Early Retirement Deferred Benefit Account	8,867,922
Escrow Bank of Kansas City	
Series 2019 Improvement Fund	21,737,528
Cash Balance	51,081,326
Less: Agency Funds per Schedule 3	[9,012,788]
Total Reporting Entity (Excluding Agency Funds)	$ 42,068,538

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

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 253 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the funds for which the District is considered to be financially accountable. The District has no related municipal entities.

The Emporia Recreation Commission (the Commission) was established as a jointly governed organization between the City of Emporia, Kansas and Unified School District No. 253, Emporia, Kansas. The governing board consists of two members appointed by the Emporia City Commission, two members appointed by the Unified School District No. 253 Board of Education and one at large board members appointed by the other eight appointed members of the Recreation Commission Board.

The Commission utilizes tax authority and tax base of Unified School District No. 253, Emporia, Kansas to levy ad valorem taxes to fund its general and employee benefit fund budgets. The City of Emporia, Kansas has issued general obligation bonds, the proceeds of which were used to construct a portion of the facility used by the Commission.

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

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

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

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2023:

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

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Agency Fund - funds used to report assets held by the District in a purely custodial capacity (payroll clearing fund, student organization fund, etc.)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund(s), 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 rating hearing, the budget timeline for the adoption of the final budget has been adjusted to on or before September 20th. The District did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis 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 budget was not amended 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for trust funds, capital project funds, and the following special purpose funds: Contingency Reserve, District Activity, Textbook Rental, and Other Federal, State and Local Grant.

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 - 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; repurchase agreements; and the Kansas Municipal Investment Pool. 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 K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, 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, 2023, the District had invested $20,102,792 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed up securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

As of June 30, 2023, the District had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1-3	Rating U.S.
Kansas Municipal Investment Pool	$20,102,792	$ 20,102,792	$ -	N/A
Security Bank of Kansas City				
US Government & Agency Bond Obligations	6,046,776	4,109,967	1,936,809	Various
Other Bond Obligations	13,164,942	13,164,942	-	S&P AA+
Money Market Funds	1,767,034	1,767,034	-	S&P AA+
Total Security Bank of Kansas City	20,978,752	19,041,943	1,936,809	
Total investments measured at fair value	$41,081,544	$ 39,144,735	$ 1,936,809	

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, 2023, was as follows:

Investment Type	Percentage of Investment
Kansas Municipal Investment Pool	49%
Security Bank of Kansas City	51%

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%. The District has no designated "peak periods." All deposits were legally secured as of June 30, 2023.

NOTE 2 - Deposits and Investments (Continued)

As of June 30, 2023, the District's carrying amount of deposits was $373,079 and the bank balance was $6,311,513. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $630,623 was covered by federal depository insurance and the remaining balance of $5,680,890 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

As of June 30, 2023, the Bank of Oklahoma held, as agent for the District, a deposit of $8,867,922, in an early retirement deferred benefit account.

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.

NOTE 3 - Long Term Debt

The following table details the District's long-term debt as of June 30, 2023:

Debt Issue	Date Issued	Maturity Date	Interest Rates	Original Amount	Balance June 30, 2023
G.O. Bonds					
Series 2019	12/18/2019	9/1/2048	3.00-4.00%	$ 78,000,000	$ 76,320,000
Certificates of Participation					
Series 2009 QSCB	10/29/2009	9/1/2025	2.23%	6,840,000	6,840,000
Total				$ 84,840,000	$ 83,160,000

The following table summarizes changes in long-term debt for the year ended June 30, 2023:

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
G.O. Bonds					
Series 2019	$ 78,000,000	$ -	$ 1,680,000	$ 76,320,000	$ 2,905,500
Certificates of Participation					
Series 2009 QSCB	6,840,000	-	-	6,840,000	152,532
Total	$ 84,840,000	$ -	$ 1,680,000	$ 83,160,000	$ 3,058,032

General Obligation Bond. The District issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the District. These bonds generally are issued with equal amounts of principal maturing each year.

The annual debt service requirements to maturity for the general obligation bonds are as follows:

NOTE 3 - Long Term Debt (Continued)

Year Ended June 30,	Principal	Interest	Total
2024	$ 1,750,000	$ 2,836,900	$ 4,586,900
2025	1,820,000	2,765,500	4,585,500
2026	1,890,000	2,691,300	4,581,300
2027	1,970,000	2,614,100	4,584,100
2028	2,045,000	2,533,800	4,578,800
2029 - 2033	11,530,000	11,347,500	22,877,500
2034 - 2038	14,025,000	8,799,800	22,824,800
2039 - 2043	16,955,000	5,860,450	22,815,450
2044 - 2048	19,890,000	2,856,450	22,746,450
2049	4,445,000	88,900	4,533,900
	$ 76,320,000	$42,394,700	$ 118,714,700

Certificates of Participation. The Series 2009 QSCB Certificates of Participation (COPS) are payable in full on September 1, 2025, in the amount of $6,840,000, with interest payable annually to that date of $152,532. The District is required to make sinking fund deposits into a reserve fund annually through September 1, 2025, of amounts necessary to satisfy the minimum required accumulated balance under the Lease and Declaration of Trust. The District's annual deposits will consist of (1) the District's expected annual cash deposit in the base amount of $325,371 (the "Base Cash Deposit") plus (2) the estimated investment earning on the accumulated balance (the "Investment Earnings"). In the event the District's Base Cash Deposit plus Investment Earnings is insufficient to meet the required accumulated balance on a given September 1st, the District is required to make up the difference with an additional cash deposit to the sinking fund. In the event the accumulated balance exceeds the required accumulated balance on a given September 1st the excess will be withdrawn from the sinking fund. During the year ended June 30, 2023, the District was required to make total principal, interest, and service fee payments of the $628,376.

The fair market value of the reserve fund's assets as of June 30, 2023, was $5,319,678. The District does not have control over the reserve fund, and therefore, the District's financial statements do not include the reserve fund balance.

Statutory Debt Limit. K.S.A. 72-5457 restricts the level of authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District without obtaining approval from the State Board of Education. The assessed valuation as of June 30, 2023, is $240,990,583 which creates a general legal debt limit of $33,738,682 for 2022-2023 budgeting purposes. The District obtained permission from the Kansas Department of Education to issue bonds in excess of its statutory limit.

NOTE 4 - Compensated Absences

The District's policy is to recognize the costs of compensated absences when actually paid.

The District's policies regarding professional leaves and absences permit employees to accumulate a maximum of 9 to 108 days of chargeable leave depending on the number of days worked per year. Policies require the cancellation of accumulated leave pay on the date of employment termination if the employee has less than ten years of service.

Classified personnel retiring or resigning from the District with ten years or more of service in the District with be compensated for unused accumulated leave at the rate of $20 per day up to a maximum of 90 days.

Certified personnel retiring from the District with ten years or more of service in the District will be compensated for unused accumulated leave rate of 0.4 times the current substitute rate per day up to a maximum of 90 days.

NOTE 4 - Compensated Absences (Continued)

Twelve-month administrative personnel may accumulate a maximum of 40 days of vacation leave and classified personnel may accumulate a maximum of 30 days of vacation leave depending upon the years of service. Policies permit payment of vacation pay upon termination of employment if sufficient notice of termination is given.

NOTE 5 - 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 requires 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, 21o 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 9, 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 employers contribution rate. 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 Substitution for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as 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 $190.0 million in fiscal year 2019 contributions. Payments are 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 the fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session 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 the 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.

NOTE 5 - Defined Benefit Pension Plan (Continued)

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 $5,364,340 for the year ended June 30, 2023.

Net Pension Liability. As of June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $52,000,796. 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 contribution 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 6 - Flexible Benefit Plan

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under section 125 of the Internal Revenue Code. All non-certified employees of the District who work a minimum of 20 hours per week and all certified employees with a 0.5 full-time equivalency are eligible to participate in the Plan. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the plan.

In addition, on average, the District contributes $450 per month for both certified and classified employees working greater than 30 hours per month to the fringe benefit package for employees electing to participate. Alternatively, employees may elect to enroll in a low premium high deductible option where the District also contributes $450 per month. Currently, benefits offered through the Plan include health insurance coverage.

NOTE 7 - 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 fiscal years.

NOTE 8 - 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 disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are 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 effect on the financial statements of the District as of June 30, 2023.

NOTE 9 - Interfund Transfers

The District made the following operating transfers during the fiscal year ended June 30, 2023. The transfers were approved by the Board of Education.

From	To	Amount	Regulatory Authority
General	Preschool-Aged At-Risk	$ 435,000	K.S.A. 72-5167
General	Professional Development	425,000	K.S.A. 72-5167
General	At-Risk (K-12)	5,725,549	K.S.A. 72-5167
General	Special Education	6,330,196	K.S.A. 72-5167
General	Bilingual Education	480,000	K.S.A. 72-5167
General	Career and Postsecondary Education	528,353	K.S.A. 72-5167
General	Textbook Rental	774,672	K.S.A. 72-5167
General	Extraordinary School Program	5,000	K.S.A. 72-5167
Supplemental General	At-Risk (K-12)	1,541,268	K.S.A. 72-5143
Supplemental General	Bilingual Education	295,788	K.S.A. 72-5143
Supplemental General	Special Education	600,000	K.S.A. 72-5143
Total		$17,140,826	

NOTE 10 - Retirement Benefits

The District has obligations to make payments as follows on behalf of employees who retired early:

Year Ended June 30,	
2024	$ 437,401
2025	398,646
2026	168,629
	$ 1,004,676

The total payment made on behalf of early retirees in the fiscal year ended June 30, 2023, was $372,682.

NOTE 11 - Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

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 12 - Capital Project Authorizations

The District had the following capital project authorizations outstanding as of June 30, 2023:

Project	Project Authorization	Expenditures To Date	Remaining
Emporia Middle School	$ 18,432,594	$ 14,831,924	$ 3,600,670
Logan Avenue Elementary School	6,261,827	5,444,891	816,936
William Allen White Elementary School	6,348,191	46,071	6,302,120
Timmerman Elementary School	1,912,115	288,666	1,623,449
Village Elementary School	6,625,056	5,620,448	1,004,608
Walnut Elementary School	7,634,318	6,521,347	1,112,971
Early Childhood Learning Center	13,381,584	9,787,062	3,594,522
Emporia High School	22,445,608	22,252,705	192,903
Riverside Elementary School	1,912,115	283,583	1,628,532
	$ 84,953,408	$ 65,076,696	$ 19,876,712

NOTE 13 - Statutory Violation

Actual exceeded budgetary expenditures in the Preschool-Aged At-Risk Fund, which is a violation of K.S.A. 79-2935.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 253
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over [Under]
General Funds:						
General	$ 34,665,376	$ [1,136,387]	$ 232,147	$ 33,761,136	$ 33,761,136	$ -
Supplemental General	10,563,865	-	-	10,563,865	10,563,865	-
Special Purpose Funds:						
Adult Education Fund	132,512	-	-	132,512	132,325	[187]
Bilingual Education	1,233,267	-	-	1,233,267	706,634	[526,633]
At-Risk (K-12)	7,349,607	-	-	7,349,607	5,290,826	[2,058,781]
Preschool-Aged At-Risk	431,767	-	-	431,767	432,608	841
Capital Outlay	6,442,718	-	-	6,442,718	3,738,509	[2,704,209]
Driver Training	92,428	-	-	92,428	34,810	[57,618]
Extraordinary School Program	8,690	-	-	8,690	518	[8,172]
Food Service	5,964,745	-	-	5,964,745	3,317,904	[2,646,841]
Professional Development	352,709	-	-	352,709	154,282	[198,427]
Summer School	62,579	-	-	62,579	12,938	[49,641]
Special Education	7,369,461	-	-	7,369,461	6,579,770	[789,691]
Career and Postsecondary Education	1,085,728	-	-	1,085,728	612,034	[473,694]
KPERS Special Retirement Contribution	5,945,802	-	-	5,945,802	5,364,340	[581,462]
Virtual Education	15,067	-	-	15,067	-	[15,067]
Flint Hills Special Education Cooperative	16,214,494	-	-	16,214,494	12,902,684	[3,311,810]
Bond and Interest Fund:						
Bond and Interest	4,619,100	-	-	4,619,100	4,585,500	[33,600]

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Reimbursed expenditures	$ 232,147	$ -	$ 232,147
State sources			
State aid	29,298,793	29,381,742	[82,949]
Special education aid	4,230,196	5,283,634	[1,053,438]
Total Receipts	33,761,136	$ 34,665,376	$ [904,240]
Expenditures			
Instruction	9,452,157	$ 9,931,741	$ [479,584]
Student support services	154,190	262,300	[108,110]
Instructional support staff	707,660	912,600	[204,940]
General administration	764,871	821,000	[56,129]
School administration	2,580,827	2,805,000	[224,173]
Central services	373,431	382,400	[8,969]
Operations and maintenance	3,494,199	3,223,916	270,283
Student transportation service	1,530,031	1,389,380	140,651
Transfers out	14,703,770	14,937,039	[233,269]
Adjustments to comply with legal max	-	[1,136,387]	1,136,387
Adjustments for qualifying budget credits	-	232,147	[232,147]
Total Expenditures	33,761,136	$ 33,761,136	$ -
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

UNIFIED SCHOOL DISTRICT NO. 253
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 3,216,222	$ 3,505,708	$ [289,486]
Delinquent taxes	57,274	48,139	9,135
County sources			
Motor vehicle taxes	304,178	301,980	2,198
Recreational vehicle taxes	4,809	4,395	414
Commercial vehicle taxes	14,912	13,288	1,624
State sources			
Supplemental state aid	6,865,456	6,865,456	-
Total Receipts	10,462,851	$ 10,738,966	$ [276,115]
Expenditures			
Instruction	3,766,946	$ 4,131,950	$ [365,004]
Student support services	634,630	742,400	[107,770]
Instructional support staff	1,314,344	1,120,500	193,844
General administration	270,117	150,200	119,917
Central services	897,478	924,025	[26,547]
Operations and maintenance	1,243,294	973,600	269,694
Transfers out	2,437,056	2,521,190	[84,134]
Total Expenditures	10,563,865	$ 10,563,865	$ -
Receipts Over [Under] Expenditures	[101,014]		
Unencumbered Cash, Beginning	282,325		
Prior Year Cancelled Encumbrances	10		
Unencumbered Cash, Ending	$ 181,321		

UNIFIED SCHOOL DISTRICT NO. 253
Adult Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 114,015	$ 114,558	$ [543]
Delinquent taxes	2,026	1,668	358
County sources			
Motor vehicle taxes	11,340	11,376	[36]
Recreational vehicle taxes	180	166	14
Commercial vehicle taxes	521	500	21
Total Receipts	128,082	$ 128,268	$ [186]
Expenditures			
Instruction	132,325	$ 132,512	$ [187]
Total Expenditures	132,325	$ 132,512	$ [187]
Receipts Over [Under] Expenditures	[4,243]		
Unencumbered Cash, Beginning	4,243		
Unencumbered Cash, Ending	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 775,788	$ 1,227,810	$ [452,022]
Total Receipts	775,788	$ 1,227,810	$ [452,022]
Expenditures			
Instruction	688,779	$ 1,211,265	$ [522,486]
Student support services	-	2,455	[2,455]
Instructional support staff	17,855	19,547	[1,692]
Total Expenditures	706,634	$ 1,233,267	$ [526,633]
Receipts Over [Under] Expenditures	69,154		
Unencumbered Cash, Beginning	5,458		
Unencumbered Cash, Ending	$ 74,612		

UNIFIED SCHOOL DISTRICT NO. 253
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 7,266,817	$ 7,349,607	$ [82,790]
Total Receipts	7,266,817	$ 7,349,607	$ [82,790]
Expenditures			
Instruction	4,170,682	$ 6,047,672	$ [1,876,990]
Student support services	844,695	802,225	42,470
Instructional support staff	231,048	459,210	[228,162]
School administration	44,401	40,500	3,901
Total Expenditures	5,290,826	$ 7,349,607	$ [2,058,781]
Receipts Over [Under] Expenditures	1,975,991		
Unencumbered Cash, Beginning	1		
Unencumbered Cash, Ending	$ 1,975,992		

UNIFIED SCHOOL DISTRICT NO. 253
Preschool-Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 435,000	$ 429,000	$ 6,000
Total Receipts	435,000	$ 429,000	$ 6,000
Expenditures			
Instruction	343,418	$ 346,567	$ [3,149]
Instructional support staff	198	-	198
Student support services	-	2,200	[2,200]
School administration	564	-	564
Student transportation services	88,428	83,000	5,428
Total Expenditures	432,608	$ 431,767	$ 841
Receipts Over [Under] Expenditures	2,392		
Unencumbered Cash, Beginning	2,767		
Prior Year Cancelled Encumbrances	477		
Unencumbered Cash, Ending	$ 5,636		

UNIFIED SCHOOL DISTRICT NO. 253
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 1,865,767	$ 1,863,060	$ 2,707
Delinquent taxes	32,167	26,675	5,492
Interest on idle funds	628,288	-	628,288
Other	780,568	-	780,568
County sources			
Motor vehicle taxes	180,153	184,437	[4,284]
Recreational vehicle taxes	2,859	2,685	174
Commercial vehicle taxes	8,215	8,116	99
State sources			
State aid	1,182,727	1,198,580	[15,853]
Total Receipts	4,680,744	$ 3,283,553	$ 1,397,191
Expenditures			
Instruction	719,417	$ 2,506,081	$ [1,786,664]
Student support services	815	75,000	[74,185]
Instructional support staff	99,321	125,000	[25,679]
General administration	33,640	100,000	[66,360]
School administration	-	25,000	[25,000]
Central services	-	25,000	[25,000]
Operations and maintenance	194,270	225,000	[30,730]
Student transportation	31,897	282,000	[250,103]
Other support services	-	250,000	[250,000]
Facility acquisition and construction	2,030,773	2,263,637	[232,864]
Debt service	628,376	566,000	62,376
Total Expenditures	3,738,509	$ 6,442,718	$ [2,704,209]
Receipts Over [Under] Expenditures	942,235		
Unencumbered Cash, Beginning	3,182,545		
Prior Year Cancelled Encumbrances	19,856		
Unencumbered Cash, Ending	$ 4,144,636		

UNIFIED SCHOOL DISTRICT NO. 253
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Other	$ 31,880	$ 30,000	$ 1,880
State sources			
State aid	17,920	20,250	[2,330]
Total Receipts	49,800	$ 50,250	$ [450]
Expenditures			
Instruction	34,810	$ 75,428	$ [40,618]
Operations and maintenance	-	17,000	[17,000]
Total Expenditures	34,810	$ 92,428	$ [57,618]
	14,990		
Receipts Over [Under] Expenditures			
	42,178		
Unencumbered Cash, Beginning			
	$ 57,168		

UNIFIED SCHOOL DISTRICT NO. 253
Extraordinary School Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 5,000	$ 8,980	$ [3,980]
Total Receipts	5,000	$ 8,980	$ [3,980]
Expenditures			
Instruction	518	$ 8,690	$ [8,172]
Total Expenditures	518	$ 8,690	$ [8,172]
Receipts Over [Under] Expenditures	4,482		
Unencumbered Cash, Beginning	8,690		
Unencumbered Cash, Ending	$ 13,172		

UNIFIED SCHOOL DISTRICT NO. 253
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Interest on idle funds	$ 35,394	$ 10,000	$ 25,394
Charges for services	534,734	664,480	[129,746]
Other	3,078	164,400	[161,322]
State sources			
School food assistance	20,826	21,580	[754]
Federal sources			
Child nutrition programs	2,393,374	2,443,269	[49,895]
Other federal aid	-	730,000	[730,000]
Other sources			
Transfers in	-	756,639	[756,639]
Total Receipts	2,987,406	$ 4,790,368	$ [1,802,962]
Expenditures			
Operation and maintenance	127,321	$ 258,953	$ [131,632]
Food service operation	3,190,583	5,705,792	[2,515,209]
Total Expenditures	3,317,904	$ 5,964,745	$ [2,646,841]
Receipts Over [Under] Expenditures	[330,498]		
Unencumbered Cash, Beginning	1,174,002		
Unencumbered Cash, Ending	$ 843,504		

UNIFIED SCHOOL DISTRICT NO. 253
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 425,000	$ 250,000	$ 175,000
State sources			
State aid	23,559	-	23,559
Total Receipts	448,559	$ 250,000	$ 198,559
Expenditures			
Instructional support staff	154,282	$ 352,709	$ [198,427]
Total Expenditures	154,282	$ 352,709	$ [198,427]
Receipts Over [Under] Expenditures	294,277		
Unencumbered Cash, Beginning	51,589		
Prior Year Cancelled Encumbrances	707		
Unencumbered Cash, Ending	$ 346,573		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Tuition	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Instruction	12,938	$ 62,579	$ [49,641]
Total Expenditures	12,938	$ 62,579	$ [49,641]
Receipts Over [Under] Expenditures	[12,938]		
Unencumbered Cash, Beginning	62,579		
Unencumbered Cash, Ending	$ 49,641		

UNIFIED SCHOOL DISTRICT NO. 253
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 6,930,196	$ 6,369,462	$ 560,734
Total Receipts	6,930,196	$ 6,369,462	$ 560,734
Expenditures			
Instruction	6,013,836	$ 6,819,961	$ [806,125]
Student transportation services	565,934	549,500	16,434
Total Expenditures	6,579,770	$ 7,369,461	$ [789,691]
Receipts Over [Under] Expenditures	350,426		
Unencumbered Cash, Beginning	1,000,000		
Unencumbered Cash, Ending	$ 1,350,426		

UNIFIED SCHOOL DISTRICT NO. 253
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Other	$ 63,294	$ 339,881	$ [276,587]
Federal sources			
Vocational aid	41,806	51,136	[9,330]
Other sources			
Transfers in	528,353	490,711	37,642
Total Receipts	633,453	$ 881,728	$ [248,275]
Expenditures			
Instruction	594,712	$ 959,053	$ [364,341]
Instructional support staff	17,322	122,825	[105,503]
School administration	-	3,850	[3,850]
Total Expenditures	612,034	$ 1,085,728	$ [473,694]
Receipts Over [Under] Expenditures	21,419		
Unencumbered Cash, Beginning	206,587		
Unencumbered Cash, Ending	$ 228,006		

UNIFIED SCHOOL DISTRICT NO. 253
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
State sources			
State aid	$ 5,364,340	$ 5,945,802	$ [581,462]
Total Receipts	5,364,340	$ 5,945,802	$ [581,462]
Expenditures			
Instruction	3,386,522	$ 4,058,131	$ [671,609]
Student support services	361,857	379,739	[17,882]
Instructional support staff	337,404	338,291	[887]
General administration	100,007	85,815	14,192
School administration	363,533	319,928	43,605
Central services	164,370	137,214	27,156
Operations and maintenance	287,018	235,617	51,401
Student transportation services	185,342	170,382	14,960
Food service	178,287	220,685	[42,398]
Total Expenditures	5,364,340	$ 5,945,802	$ [581,462]
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

UNIFIED SCHOOL DISTRICT NO. 253
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ -	$ 15,067	$ [15,067]
Total Receipts	-	$ 15,067	$ [15,067]
Expenditures			
Instruction	-	$ 15,067	$ [15,067]
Total Expenditures	-	$ 15,067	$ [15,067]
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	15,067		
Unencumbered Cash, Ending	$ 15,067		

UNIFIED SCHOOL DISTRICT NO. 253
Flint Hills Special Education Cooperative Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Payment from other districts/government sources	$ 3,849,314	$ 8,631,936	$ [4,782,622]
Other revenue	7,300	3,587,781	[3,580,481]
State sources			
State aid	6,357,506	-	6,357,506
Federal sources			
Federal aid	1,379,089	1,865,526	[486,437]
Medicaid	671,110	320,000	351,110
Total Receipts	12,264,319	$ 14,405,243	$ [2,140,924]
Expenditures			
Instruction	9,814,419	$ 12,588,989	$ [2,774,570]
Student support services	2,328,859	2,750,827	[421,968]
Instructional support staff	509,644	566,008	[56,364]
General administration	194,498	244,954	[50,456]
School administration	51,361	53,996	[2,635]
Operations and maintenance	3,903	9,720	[5,817]
Total Expenditures	12,902,684	$ 16,214,494	$ [3,311,810]
Receipts Over [Under] Expenditures	[638,365]		
Unencumbered Cash, Beginning	1,842,890		
Unencumbered Cash, Ending	$ 1,204,525		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023

Receipts	
Other sources	
Transfers in	$ -
Total Receipts	-
Expenditures	
Instruction	-
Total Expenditures	-
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	1,637,867
Unencumbered Cash, Ending	$ 1,637,867

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Textbook Rental Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023

Receipts	
Local sources	
Reimbursed expenditures	$ 18,545
Transfers in	774,672
Total Receipts	793,217
Expenditures	
Instruction	533,319
Total Expenditures	533,319
Receipts Over [Under] Expenditures	259,898
Unencumbered Cash, Beginning	532,574
Unencumbered Cash, Ending	$ 792,472

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Other Federal, State and Local Grant Funds *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023

	Title I	Title II	Title III	Migrant	Jones Early Childhood Center	Mobilizing Literacy
Receipts						
Local sources						
Other	$ -	$ -	$ -	$ -	2,005,695	$ 112,000
Federal sources						
Federal aid	822,597	190,433	99,723	62,370	-	-
Total Receipts	822,597	190,433	99,723	62,370	2,005,695	112,000
Expenditures						
Instruction	753,976	-	47,721	6,683	2,310	3,046
Student support services	6,434	-	-	42,805	-	64,940
Instructional support staff	551	200,228	48,940	-	-	60,862
Other supplemental service	54,679	2,451	1,343	12,484	-	-
Student transportation	-	-	-	398	-	3,156
Food service	-	-	-	-	-	-
Total Expenditures	815,640	202,679	98,004	62,370	2,310	132,004
Receipts Over [Under] Expenditures	6,957	[12,246]	1,719	-	2,003,385	[20,004]
Unencumbered Cash, Beginning	[7,942]	4,566	[1,876]	-	172,615	45,700
Unencumbered Cash, Ending	$ [985]	$ [7,680]	$ [157]	$ -	$ 2,176,000	$ 25,696

* These funds are not required to be budgeted.

DCF Grant	KDHE Grant	ESSERF	Kansas Masonic Literacy	Camp Hope	Gifts and Grants Fund	ARP Homeless	Safe and Secure	Total
$ 64,607	$ -	$ -	$ -	$ 25,480	$ 48,695	$ -	$ -	$ 2,256,477
-	278,244	2,071,790	-	-	-	4,301	75,717	3,605,175
64,607	278,244	2,071,790	-	25,480	48,695	4,301	75,717	5,861,652
-	148,228	2,527,939	-	11,507	51,760	4,857	-	3,558,027
-	275,228	308,879	-	-	14,417	-	-	712,703
69,290	3,350	678,663	-	-	3,174	-	75,717	1,140,775
-	3,065	44,564	-	-	-	-	-	118,586
-	-	-	-	1,672	-	-	-	5,226
-	-	5	-	-	-	-	-	5
69,290	429,871	3,560,050	-	13,179	69,351	4,857	75,717	5,535,322
[4,683]	[151,627]	[1,488,260]	-	12,301	[20,656]	[556]	-	326,330
[12,487]	[65,844]	[518,731]	17,141	11,957	234,248	[597]	-	[121,250]
$ [17,170]	$ [217,471]	$ [2,006,991]	$ 17,141	$ 24,258	$ 213,592	$ [1,153]	$ -	$ 205,080

UNIFIED SCHOOL DISTRICT NO. 253
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 2,761,134	$ 2,739,303	$ 21,831
Delinquent taxes	45,623	36,556	9,067
County sources			
Motor vehicle taxes	267,183	271,820	[4,637]
Recreational vehicle taxes	4,251	3,956	295
Commercial vehicle taxes	11,543	11,961	[418]
State sources			
State aid	1,008,810	1,008,810	-
Total Receipts	4,098,544	$ 4,072,406	$ 26,138
Expenditures			
Debt service	4,585,500	$ 4,619,100	$ [33,600]
Total Expenditures	4,585,500	$ 4,619,100	$ [33,600]
Receipts Over [Under] Expenditures	[486,956]		
Unencumbered Cash, Beginning	5,914,288		
Unencumbered Cash, Ending	$ 5,427,332		

UNIFIED SCHOOL DISTRICT NO. 253
Facility Acquisition and Construction Fund
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023

Receipts	
Net bond proceeds	
Other cost of issuance	$ 355,579
Net investment return	
Realized gain on sale of securities	289,657
Total Receipts	645,236
Expenditures	
Instruction	597,404
Facility acquisition and construction	23,943,901
Total Expenditures	24,541,305
Receipts Over [Under] Expenditures	[23,896,069]
Unencumbered Cash, Beginning	44,782,199
Prior Year Cancelled Encumbrances	13,736
Unencumbered Cash, Ending	$ 20,899,866

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Daisy Ferguson Grimes Trust Fund
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023

Receipts	
Local sources	
Grants received from trust	$ 3,375
Total Receipts	3,375
Expenditures	
Grants and financial assistance for qualifying individuals	312
Total Expenditures	312
Receipts Over [Under] Expenditures	3,063
Unencumbered Cash, Beginning	43,845
Unencumbered Cash, Ending	$ 46,908

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Restated Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Clubs and Activities				
Emporia High School	$ 88,231	$ 197,525	$ 195,229	$ 90,527
Emporia Middle School	57,642	43,242	51,817	49,067
Total Student Clubs and Activities	145,873	240,767	247,046	139,594
Early Retirement Funding Account	8,399,886	2,809,938	2,341,902	8,867,922
Payroll Clearing Fund	2,557,261	-	2,557,261	-
Petty Cash - District	1,576	3,660	3,676	1,560
Petty Cash - High School	1,500	3,139	3,139	1,500
Petty Cash - Middle School	1,500	3,230	3,220	1,510
Other Agency Funds	466	236	-	702
Total Agency Funds	$ 11,108,062	$ 3,060,970	$ 5,156,244	$ 9,012,788

See independent auditor's report on the financial statements.

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 253
District Activities - Gate Receipts and School Project Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Emporia High School	$ 145,642	$ -	$ 224,551	$ 228,723	$ 141,470	$ -	$ 141,470
Emporia Middle School	28,932	-	44,881	45,013	28,800	-	28,800
Total District Activity Fund	$ 174,574	$ -	$ 269,432	$ 273,736	$ 170,270	$ -	$ 170,270

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Special Education (IDEA) Cluster					
Special Education Grants to States	84.027	$ 32,436	$ 1,434,491	$ 1,435,369	$ 31,558
Special Education - Preschool Grants	84.173	[12,174]	90,312	58,546	19,592
Total Special Education (IDEA) Cluster			1,524,803	1,493,915	
Title I Grants to Local Educational Agencies	84.010	85,770	822,597	860,797	47,570
Migrant Education State Grant Program	84.011	3,462	62,370	58,076	7,756
Career and Technical Education	84.048	-	41,806	41,806	-
English Language Acquisition State Grants	84.365	[1,876]	99,723	52,446	45,401
Supporting Effective Instruction State Grants	84.367	45,833	190,433	189,846	46,420
Education Stabilization Fund	84.425	[209,840]	1,720,818	3,476,991	[1,966,013]
Total U.S. Department of Education			4,462,550	6,173,877	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	[60,824]	278,244	393,688	[176,268]
Total U.S. Department of Health and Human Services			278,244	393,688	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster					
School Breakfast Program	10.553	-	385,745	385,745	-
COVID-19 - National School Lunch Program	10.555	-	1,511,371	1,511,371	-
Summer Food Service Program for Children	10.559	-	371,079	371,079	-
Fresh Fruit and Vegetable Program	10.582	-	72,748	72,748	-
Total Child Nutrition Cluster			2,340,943	2,340,943	
Child and Adult Care Food Program	10.558	-	52,431	52,431	-
State Administrative Expenses for Child Nutrition	10.560	-	100	100	-
Total U.S. Department of Agriculture			2,393,474	2,393,474	
Total Expenditures of Federal Awards			$ 7,134,268	$ 8,961,039	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. Organization

Unified School District No. 253, Emporia, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the Kansas regulatory basis of accounting, which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results 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 as of June 30, 2023.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2023.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified - Regulatory Basis Adverse - GAAP			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?		Yes	X	No

See independent auditor's report on the financial statements.

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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INDEPENDENT AUDITOR'S 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"

Board of Education
Unified School District No. 253
Emporia, Kansas

We have audited, 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*, the financial statements of Unified School District No. 253 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 17, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions on the financial statements, 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 controls 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 financial statements 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 charge with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 statements. 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 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

January 17, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Unified School District No. 253
Emporia, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 253, Emporia, Kansas (the District), 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, 2023. 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, 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 (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 requirement 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 grants agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

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 the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2023, and have issued our report thereon dated January 17, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

January 17, 2024