UNIFIED SCHOOL DISTRICT NUMBER 368
Paola, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2024

UNIFIED SCHOOL DISTRICT NUMBER 368

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 368

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 368 of Paola, Kansas, as of and for the year ended June 30, 2024 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 "Matters Giving Rise of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the 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 Number 368 as of June 30, 2024, 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 financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Unified School District Number 368 as of June 30, 2024, 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 C.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide.* Our responsibility 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 Unified School District Number 368 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.

Matters Giving Rise for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note C of the financial statement, the financial statement is prepared by Unified School District Number 368 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 C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Management's Responsibility for the Financial Statements
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 C to meet the financial reporting requirements of the State of Kansas; 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 Unified School District Number 368 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 Responsibility for the Audit of the Financial Statement
Our objectives are to obtain reasonable assurance about where the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgment and maintain professional skepticism throughout the audit.
2. 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.
3. 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 Unified School District Number 368's internal control. Accordingly, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimate made by management, as well as evaluate the overall presentation of the financial statement.
5. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Unified School District Number 368 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 control-related matters that we identified during the audit.

Other Matters
Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, schedule of regulatory basis receipts and expenditures - agency funds, schedule of regulatory basis receipts and expenditures - district activity funds and schedule of regulatory basis receipts and expenditures - endowment (Schedules 1, 2, 3, 4 and 5 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 also 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 also 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 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 C.

Other reporting required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2024 on our consideration of Unified School District Number 368's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Number 368's internal control over financial reporting and compliance.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Unified School District Number 368 as of and for the year ended June 30, 2023 (not presented herein), and have issued our report dated September 22, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link http//www.admin.ks.gov/offices//chief-financial-officer/municipal-servidces. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 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 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the 2023 basic financial statement as a whole, on the basis of accounting described in Note C.

Harold K. Mayes Jr

Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Ks. 66067
September 20, 2024

Unified School District Number 368
Paola, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash and Investments	Prior Year Cancelled Encumbrances	Receipts	Expenditures
Governmental Type Funds				
General Funds				
General	$ 22	$ 0	$ 13,784,117	$ 13,784,139
Supplemental General	300,273	0	4,632,240	4,545,754
Special Purpose Funds				
Adult Education	12,675	0	275,310	275,309
Adult Supplementary Education	49,146	0	20,423	13,216
At Risk	668,000	0	1,981,854	1,982,101
Bilingual Education	29,272	0	17,775	18,012
Virtual Education	281,424	0	123,200	80,000
Capital Outlay	2,814,263	0	2,326,103	1,075,883
Driver Training	49,583	0	30,920	29,633
Food Service	469,113	0	1,007,295	1,050,551
Professional Development	77,891	0	54,436	29,322
Parent Education Program	77,299	0	357,373	357,373
Special Education	2,249,443	0	3,213,569	3,057,081
Career and Postsecondary Education	796,258	0	761,755	762,112
Kansas Public Retirement System	0	0	3,337,979	3,337,979
Coop Special Education	3,744,946	0	16,548,130	17,288,527
Special Assessment	26,436	0	2	0
Title I	0	0	330,280	330,280
Title II A-Teacher Quality Improve	0	0	38,520	38,520
Vocational Education-Carl Perkins	0	0	6,511	6,511
Coronavirus Funds	(944,876)	0	2,628,112	1,683,236
Contingency Reserve	987,148	0	112,852	0
Student Material Revolving	116,651	0	597,071	121,619
Gate Receipts and User Charges	21,867	0	323,884	304,581
Bond & Interest Funds				
Bond and Interest	5,258,649	0	2,745,773	2,165,412
Business Type Funds				
Health Insurance	570,146	0	2,837,741	2,340,189
Trust Type Funds				
Expendable Trust Funds				
Scholarship and Other Trusts	261,868	0	83,889	77,496
Nonexpendable Trust Funds				
Scholarship	258,094	0	11,310	11,310
Related Municipal Entity				
Endowment Trusts	3,128,839	0	700,992	431,099
Total reporting entity (excluding agency funds)	$ 21,304,430	$ 0	$ 58,889,416	$ 55,197,245

The accompanying notes are an integral part of this financial statement.

Ending Unencumbered Cash and Investments	Add Encumbrances and Accounts Payable	Ending Cash and Investments		
$ 0	$ 65,453	$ 65,453	**Composition of ending cash**	
386,759	464,907	851,666	**and investments**	
			Demand Deposits	
12,676	25,485	38,161	First Option Bank	$ 16,088,133
56,353	503	56,856	Security Bank of KC	1,348,376
667,753	44,740	712,493	Activity Fund Accounts	268,184
29,035	237	29,272	**Time Deposits**	
324,624	0	324,624	Great Southern Bank	1,500,000
4,064,483	921,581	4,986,064	Great Southern Bank	32,000
50,870	4,993	55,863	Security Bank of KC	2,000,000
425,857	2,185	428,042	Security Bank of KC	1,000,000
103,005	1,500	104,505	Security Bank of KC	1,000,000
77,299	10,856	88,155	First Option Bank	10,000
2,405,931	757	2,406,688	First Option Bank	15,400
795,901	4,135	800,036	First Option Bank	258,094
0	0	0		23,520,187
3,004,549	87,759	3,092,308	Less Agency funds	
26,438	0	26,438	per Schedule 3	(227,014)
0	0	0		
0	214	214		23,293,173
0	0	0	Investments	
0	27,000	27,000	Stocks and Bonds	
1,100,000	0	1,100,000	of Endowment Trust	3,398,732
592,103	26,552	618,655		
41,170	0	41,170	Total cash and investments	$ 26,691,905
5,839,010	0	5,839,010		
1,067,698	0	1,067,698		
268,261	6,447	274,708		
258,094	0	258,094		
3,398,732	0	3,398,732		
$ 24,996,601	$ 1,695,304	$ 26,691,905		

The accompanying notes are an integral part of this financial statement.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2024

NOTE A. MUNICIPAL REPORTING ENTITY

Unified School District Number 368 is a municipal corporation governed by an elected seven-member board. This financial statement presents the Unified School District Number 368 (the municipality). The financial statement includes the municipality and a related municipal entity known as the Endowment.

The Unified School District Number 368 Endowment governing board is a volunteer group. The Endowment receives donations from the public and disburses these funds to eligible students from Paola High School.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potential could have the following types of funds.

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

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

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments 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.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

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

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

NOTE C. BASIS OF ACCOUNTING

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 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 revenues 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Unified School District Number 368 has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

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

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

If 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 budget amendments for this year.

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality 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 the following special purpose funds, capital project funds, business funds and trusts:

Title I
Vocational Education – Carl Perkins
Contingency Reserve
Health Insurance
Title IIA
Coronavirus Funds
Student Materials Revolving

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

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

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 District or in an adjoining District 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 bank 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. The District rates investments (if any) as noted.

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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2024.

At June 30, 2024, the carrying amount of the District's bank deposits was $23,520,187 and the bank balance was $26,894,379. The bank balance was held by three banks reducing concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $750,000 was covered by federal depository insurance and $26,144,379 was collateralized with securities held by the pledging financial institution's agents in the District's name.

The Unified School District Number 368 Endowment has bank deposits of $133,446 and the bank balance was $133,446. The difference between carrying amount and bank balance is outstanding checks and deposits. The balance was held by one bank which increases concentration risk. Of the bank balance $133,446 was covered by federal depository insurance.

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 be adequately secured.

Concentration of credit risk – Endowment investment policy places no limit on the amount the Endowment may invest in any one issuer. The Endowment had the following investments and maturities as of June 30, 2024. Fair value is based upon quoted market values:

Investments - Endowment		Fair	Investment Maturities		Percent of	Rating
Investment Type		Value	Less than 1	2 yrs or more	Investment	U.S.
Money market	$	4,672	$ 4,672	$ 0	0.001	N/A
Bonds		3,220	3,220	0	0.001	S&P A-1+
Mutual funds		3,257,394	3,257,394	0	0.998	S&P A-1+
Total investments		3,265,286	$ 3,265,286	$ 0	1.000	
Plus Cash Balance		133,446				
Total	$	3,398,732				

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2024

NOTE F. LONG-TERM DEBT

General Long-Term Debt

Long-term obligations consisted of the following during the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds:				
Series 2014	2% to 5.00%	06/05/14	$ 18,225,000	09/01/28
Series 2016	3%to 4%	11/30/16	6,975,000	09/01/26
Series 2017	3.00%	03/30/17	4,710,000	09/01/26
Copiers	0.00%	08/01/19	99,300	07/01/24

Changes in long-term liabilities for the Unified School District Number 368 for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Reductions/ Payments	Net Change	Ending Balance	Interest Paid
General Obligation Bonds:						
Series 2014	$ 240,000	$ 0	$ 35,000	$ (35,000)	$ 205,000	$ 9,538
Series 2016	4,805,000	0	1,185,000	(1,185,000)	3,620,000	144,400
Series 2017	3,235,000	0	705,000	(705,000)	2,530,000	86,475
	$ 8,280,000	$ 0	$ 1,925,000	$ (1,925,000)	$ 6,355,000	$ 240,413
Financing Leases						
Copiers	$ 21,517	$ 0	$ 19,862	$ (19,862)	$ 1,655	$ 0
Copiers - new	0	89,284	0	89,284	89,284	0
Copiers Total	$ 21,517	$ 89,284	$ 19,862	$ 69,422	$ 90,939	$ 0

Current maturities of long-term debt and interest for the next five years and in five-year increments through the maturity are as follows:

	2025	2026	2027	2028	2029	2030	Total
Bond Principal							
G. O. bonds	$ 2,025,000	$ 2,090,000	$ 2,155,000	$ 40,000	$ 45,000	$ 0	$ 6,355,000
Interest							
G. O. bonds	168,437	99,862	35,787	2,463	731	0	307,280
Total principal & interest	$ 2,193,437	$ 2,189,862	$ 2,190,787	$ 42,463	$ 45,731	$ 0	$ 6,662,280
Copier Payments	$ 18,024	$ 17,857	$ 17,857	$ 17,857	$ 17,856	$ 1,488	$ 90,939

The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2024, the statutory limit for the District was $30,854,030. As of June 30, 2024, the District is under the debt margin by $24,499,030.

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education	K.S.A. 72-5167	$ 1,903,385
General Fund	Career and Post Secondary	K.S.A. 72-5167	244,244
General Fund	At-Risk (K-12)	K.S.A. 72-5167	1,487,731
General Fund	Bilingual	K.S.A. 72-5167	13,229
General Fund	Virtual Education	K.S.A. 72-5167	123,200
General Fund	Professional Development	K.S.A. 72-5167	50,000
General Fund	Contingency Reserve	K.S.A. 72-5167	112,852
General Fund	Student Material Revolving	K.S.A. 72-5167	431,070
Supplemental General Local Option	Parent Education	K.S.A. 72-5143	31,200
Supplemental General Local Option	Special Education	K.S.A. 72-5143	1,134,113
Supplemental General Local Option	Student Material Revolving	K.S.A. 72-5143	31,830
Supplemental General Local Option	At-Risk (K-12)	K.S.A. 72-5143	494,123
Supplemental General Local Option	Bilingual	K.S.A. 72-5143	4,546
Supplemental General Local Option	Career and Post Secondary	K.S.A. 72-5167	440,756

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

During the year ended June 30, 2024, employees of the District were covered for health insurance by a third party provider.

In years prior to July 1, 2022, the District was self-insured. The district is considering going back to self-insured in 2025.

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 retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified 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.

Flexible Benefit Plan (I.R.C. Section 125)

The District adopted by resolution a salary-reduction flexible benefit plan (Plan) under section 125 of the Internal Revenue Service Code. All employees of the District are eligible to participate in the plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchases benefits offered through the Plan. Currently, benefits offered through the Plan include health insurance, dependent care coverage and medical reimbursement.

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued

Compensated Absences

The District's policy is to recognize the cost of compensated absences when actually paid. The District's policies regarding sick pay permits employees to accumulate sick leave of 12 days per year or one day per month for those employees whose contract is for 10, 11, or 12 months up to a total accumulation of 100 days. Upon retirement at age 62 (or at age 60 with at least 12 years of experience within the District), certified and classified personnel will be paid for the unused sick leave at the rate of $65 per day. The District's policy also requires reimbursement to staff of $65 per day for each day over the 100 days at the end of the school year.

The costs of accumulated sick leave are not recorded at the time the benefits are accrued. At June 30, 2024 the District paid sick leave pay for employees who will be 62 or older on or before June 30, 2024 or have accumulated in excess of 100 days in the amount of $96,739. The District has not estimated the dollar amount of accumulated sick leave pay for any other group of employees.

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, 2024.

NOTE I. DEFINED BENEFIT PENSION PLANS

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 publically 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 at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that 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 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August of 2015 and the proceeds transferred to the System.

NOTE I. DEFINED BENEFIT PENSION PLANS – continued

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bonds 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 paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

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 $3,337,979 in the year ended June 30, 2024.

Net Pension Liability

At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $44,615,503. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. 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 nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE J. 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; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE K. OTHER INFORMATION

Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

NOTE K. OTHER INFORMATION - continued

Ad valorem tax revenues

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20, and distributed to the District by January 20. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws other available funds from the County Treasurer at designated times throughout the year.

Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund.

However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2024.

NOTE L. SUBSEQUENT EVENTS

Subsequent Events: The District evaluated subsequent events through September 20, 2024, the date the financial statement was available to be issued. No material subsequent events were noted.

Required Regulatory Basis
Supplementary Information

Unified School District Number 368
Paola, Kansas

SUMMARY OF EXPENDITURES-ACTUAL AND BUDGET
BUDGETED FUNDS
For the Year Ended June 30, 2024

	Certified Budget	Adjustment to Comply with Legal Max
General Funds		
General Fund	$ 14,831,942	$ (1,098,834)
Supplemental General Local Option	4,851,508	(305,754)
Special Purpose Funds		
Adult Education	281,885	0
Adult Supplementary Education	101,996	0
At risk	2,634,836	0
Bilingual Education	38,975	0
Virtual Education	585,424	0
Capital Outlay	4,131,219	0
Driver Training	92,082	0
Food Service	1,576,592	0
Professional Development	93,391	0
Parent Education Program	428,460	0
Special Education	4,515,729	0
Career & Postsecondary Education	1,323,200	0
Kansas Public Retirement System	4,099,879	0
Co-op Special Education	20,168,840	0
Special Assessment	26,436	0
Bond & Interest Funds		
Bond and Interest	2,165,412	0

See Independent Auditor's Report.

Schedule 1

Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
$ 51,031	$ 13,784,139	$ 13,784,139	$ 0
0	4,545,754	4,545,754	0
0	281,885	275,309	(6,576)
0	101,996	13,216	(88,780)
0	2,634,836	1,982,101	(652,735)
0	38,975	18,012	(20,963)
0	585,424	80,000	(505,424)
0	4,131,219	1,075,883	(3,055,336)
0	92,082	29,633	(62,449)
0	1,576,592	1,050,551	(526,041)
0	93,391	29,322	(64,069)
0	428,460	357,373	(71,087)
0	4,515,729	3,057,081	(1,458,648)
0	1,323,200	762,112	(561,088)
0	4,099,879	3,337,979	(761,900)
0	20,168,840	17,288,527	(2,880,313)
0	26,436	0	(26,436)
0	2,165,412	2,165,412	0

Unified School District Number 368
Paola, Kansas

Schedule 2a

GENERAL FUNDS
GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Reimbursed Expenses	$ 43,585	$ 51,031	$ 0	$ 51,031
State Sources				
Mineral Production Tax	45	0	0	0
General Fund Equalization Aid	11,049,723	11,852,422	12,176,891	(324,469)
Special Education Equalization Aid	1,927,353	1,880,664	2,655,029	(774,365)
Total Cash Receipts	13,020,706	13,784,117	$ 14,831,920	$ (1,047,803)
Expenditures				
Instruction				
Salaries	4,558,504	4,288,923	$ 4,733,627	$ (444,704)
Employee Benefits	893,835	925,723	1,016,000	(90,277)
Supplies	194,508	187,129	207,090	(19,961)
Student Activities	97,354	88,233	90,935	(2,702)
Student Support Services				
Salaries	279,319	276,475	300,000	(23,525)
Employee Benefits	55,998	57,420	64,350	(6,930)
Supplies	3,258	3,314	3,500	(186)
Instruction Support Staff				
Salaries	298,414	276,149	400,000	(123,851)
Employee Benefits	32,506	32,989	40,600	(7,611)
Supplies	9,294	6,887	11,326	(4,439)
General Administration				
Salaries	490,112	509,872	530,000	(20,128)
Employee Benefits	74,811	79,704	82,400	(2,696)
Purchased Professional Services	11,786	17,285	25,000	(7,715)
Other	88,577	53,019	56,000	(2,981)
School Administration				
Salaries	857,341	907,307	937,000	(29,693)
Employee Benefits	170,380	184,580	190,300	(5,720)
Operations and Maintenance				
Salaries	398,278	463,927	480,000	(16,073)
Employee Benefits	73,660	84,696	110,600	(25,904)
Central Services				
Salaries	262,769	298,946	275,000	23,946
Other Purchased Services				
Contracting of Bus Service	677,500	675,850	721,000	(45,150)

Unified School District Number 368
Paola, Kansas

Schedule 2a

GENERAL FUNDS
GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Expenditures (continued)				
Operating Transfers				
Special Education	$ 1,945,503	$ 1,903,385	$ 2,655,029	$ (751,644)
Professional Development	0	50,000	7,500	42,500
Vocational Education	120,804	244,244	0	244,244
Student Material Revolving	0	431,070	0	431,070
Contingency Reserve	0	112,852	0	112,852
At Risk (K-12)	1,282,736	1,487,731	1,600,685	(112,954)
Bilingual	9,692	13,229	0	13,229
Virtual Education	133,745	123,200	294,000	(170,800)
Adjustment to Comply with Legal Maximum	0	0	(1,098,834)	1,098,834
Legal Fund Budget & Expenditures	13,020,684	13,784,139	13,733,108	51,031
Adjustments for Qualifying Budget Credits	0	0	51,031	(51,031)
Total Expenditures	13,020,684	13,784,139	$ 13,784,139	$ 0
Receipts Over (Under) Expenditures	22	(22)		
Unencumbered Cash (Deficit), July 1,	0	22		
Unencumbered Cash (Deficit), June 30,	$ 22	$ 0		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL LOCAL OPTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Property	$ 2,603,958	$ 3,062,922	$ 3,038,997	$ 23,925
Delinquent	23,698	40,081	30,739	9,342
County Sources				
Motor Vehicle	208,311	207,672	328,592	(120,920)
Recreational Vehicle Tax	6,237	5,719	10,013	(4,294)
Commercial Vehicle Tax	12,053	9,396	18,111	(8,715)
State Sources				
Supplemental State Aid	1,440,995	1,306,450	1,394,323	(87,873)
Total Cash Receipts	4,295,252	4,632,240	$ 4,820,775	$ (188,535)
Expenditures				
Instruction				
Supplies	55,813	131,246	$ 130,000	$ 1,246
Student Activities	25,686	20,684	0	20,684
Equipment	5,738	17,592	7,200	10,392
Other	0	0	25,000	(25,000)
General Administration				
Purchased Property Services	122,127	171,196	121,217	49,979
Other Purchased Services	322,786	421,446	330,000	91,446
Operations and Maintenance				
Salaries	284,155	292,976	310,000	(17,024)
Employee Benefits	53,031	53,727	56,300	(2,573)
Purchased Property Services	433,610	458,162	324,000	134,162
Other Purchased Services	24,850	24,476	35,200	(10,724)
Supplies	650,085	597,644	740,000	(142,356)
Vehicle Operating Services				
Motor Fuel	110,199	87,643	125,000	(37,357)
Contracted Transportation	3,532	96	10,000	(9,904)
Central Services				
Other Purchased Services	117,025	104,515	80,000	24,515
Supplies	1,873	(287)	5,000	(5,287)
Property	31,777	28,070	25,000	3,070
Operating Transfers				
Parent Education Program	30,000	31,200	31,200	0
Special Education	1,055,045	1,134,113	1,210,700	(76,587)

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL LOCAL OPTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Operating Transfers - continued				
Student Material Revolving	$ 0	$ 31,830	$ 0	$ 31,830
At Risk (K-12)	428,311	494,123	534,151	(40,028)
Bilingual	3,430	4,546	9,703	(5,157)
Vocational Education	528,328	440,756	741,837	(301,081)
Adjustment to Comply with Legal Maximum	0	0	(305,754)	305,754
Legal Fund Budget & Expenditures	4,287,401	4,545,754	$ 4,545,754	$ 0
Receipts Over (Under) Expenditures	7,851	86,486		
Unencumbered Cash, July 1	292,422	300,273		
Unencumbered Cash, June 30	$ 300,273	$ 386,759		

Unified School District Number 368
Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
ADULT EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance Over (Under)
Cash Receipts				
State Sources				
Adult Basic Aid	$ 61,600	$ 66,364	$ 60,864	$ 5,500
Federal Sources				
Adult Education Aid	201,654	208,946	208,346	600
Total Cash Receipts	263,254	275,310	$ 269,210	$ 6,100
Expenditures				
Instruction				
Salaries	109,896	121,245	$ 133,738	$ (12,493)
Employee Benefits	32,774	33,998	33,039	959
Other Purchased Services	7,500	5,864	7,500	(1,636)
Supplies	53,607	40,258	43,782	(3,524)
Student Support Services				
Salaries	19,480	24,439	20,661	3,778
Other Purchased Services	4,500	10,613	5,000	5,613
General Administration				
Salaries	23,003	25,865	25,865	0
Supplies	7,015	6,141	5,000	1,141
Operation and Maintenance				
Purchased Property Services	0	0	1,800	(1,800)
Supplies	5,479	6,886	5,500	1,386
Total Expenditures	263,254	275,309	$ 281,885	$ (6,576)
Receipts Over (Under) Expenditures	0	1		
Unencumbered Cash, July 1	12,675	12,675		
Unencumbered Cash, June 30	$ 12,675	$ 12,676		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
ADULT SUPPLEMENTARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Class Fees	$ 1,100	$ 1,789	$ 2,000	$ (211)
Miscellaneous	5,682	8,446	50,850	(42,404)
Reimbursements	5,958	10,188	0	10,188
State Sources				
State Aid	5,344	0	0	0
Total Cash Receipts	18,084	20,423	$ 52,850	$ (32,427)
Expenditures				
Instruction				
Salaries	1,537	2,001	$ 62,446	$ (60,445)
Employee Benefits	5,709	212	370	(158)
Other Purchased Services	715	448	2,500	(2,052)
Supplies	13,743	10,555	36,680	(26,125)
Total Expenditures	21,704	13,216	$ 101,996	$ (88,780)
Receipts Over (Under) Expenditures	(3,620)	7,207		
Unencumbered Cash, July 1	52,766	49,146		
Unencumbered Cash, June 30	$ 49,146	$ 56,353		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
AT RISK FUND (K-12)

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
General Fund	$ 1,282,736	$ 1,487,731	$ 1,600,685	$ (112,954)
Supplemental General	428,311	494,123	534,151	(40,028)
Total Cash Receipts	1,711,047	1,981,854	$ 2,134,836	$ (152,982)
Expenditures				
Instruction				
Salaries	1,568,126	1,836,164	$ 2,453,336	$ (617,172)
Employee Benefits	40,578	47,347	50,500	(3,153)
Purchased Professional Services	6,825	7,500	0	7,500
Supplies	95,519	91,090	103,500	(12,410)
Other	0	0	7,500	(7,500)
Student Support Services				
Mental Health Services	0	0	20,000	(20,000)
Total Expenditures	1,711,048	1,982,101	$ 2,634,836	$ (652,735)
Receipts Over (Under) Expenditures	(1)	(247)		
Unencumbered Cash, July 1	668,001	668,000		
Unencumbered Cash, June 30	$ 668,000	$ 667,753		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
BILINGUAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Supplemental General	$ 3,430	$ 4,546	$ 9,703	$ (5,157)
General Fund	9,692	13,229	0	13,229
Total Cash Receipts	13,122	17,775	$ 9,703	$ 8,072
Expenditures				
Instruction				
Salaries	13,122	17,775	$ 35,975	$ (18,200)
Other Purchased Services	2,715	237	3,000	(2,763)
Total Expenditures	15,837	18,012	$ 38,975	$ (20,963)
Receipts Over (Under) Expenditures	(2,715)	(237)		
Unencumbered Cash, July 1	31,987	29,272		
Unencumbered Cash, June 30	$ 29,272	$ 29,035		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
VIRTUAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Miscellaneous	$ 0	$ 0	$ 10,000	$ (10,000)
Operating Transfers				
General Fund	133,745	123,200	294,000	(170,800)
Total Cash Receipts	133,745	123,200	$ 304,000	$ (180,800)
Expenditures				
Instruction				
Other Purchased Services	82,460	80,000	$ 585,424	$ (505,424)
Total Expenditures	82,460	80,000	$ 585,424	$ (505,424)
Receipts Over (Under) Expenditures	51,285	43,200		
Unencumbered Cash, July 1	230,139	281,424		
Unencumbered Cash, June 30	$ 281,424	$ 324,624		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Property	$ 1,645,148	$ 1,646,116	$ 1,545,498	$ 100,618
Delinquent	14,598	24,592	19,414	5,178
Interest	193,482	359,541	300,000	59,541
Miscellaneous	23,340	4,124	75,000	(70,876)
County Sources				
Motor Vehicle	130,299	132,088	209,038	(76,950)
Recreational Vehicle	3,914	3,638	6,370	(2,732)
Commercial Vehicle	7,655	5,942	11,522	(5,580)
State Sources				
State Aid	216,782	150,062	150,114	(52)
Total Cash Receipts	2,235,218	2,326,103	$ 2,316,956	$ 9,147
Expenditures				
Instruction				
Property	360,870	(13,910)	$ 2,689,263	$ (2,703,173)
Operation and Maintenance				
Property	1,989,154	1,089,793	1,431,956	(342,163)
Facility Acquisition & Construction Services				
Architectural and Engineering Services	0	0	10,000	(10,000)
Total Expenditures	2,350,024	1,075,883	$ 4,131,219	$ (3,055,336)
Receipts Over (Under) Expenditures	(114,806)	1,250,220		
Unencumbered Cash, July 1	2,929,069	2,814,263		
Unencumbered Cash, June 30	$ 2,814,263	$ 4,064,483		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Driver Education Fees	$ 18,720	$ 16,355	$ 24,000	$ (7,645)
State Sources				
State Safety Aid	14,000	11,165	13,500	(2,335)
Federal Sources				
Federal Aid	3,800	3,400	5,000	(1,600)
Total Cash Receipts	36,520	30,920	$ 42,500	$ (11,580)
Expenditures				
Instruction				
Salaries	3,850	3,450	$ 5,000	$ (1,550)
Employee Benefits	683	268	775	(507)
Other Purchased Services	24,180	21,390	31,000	(9,610)
Supplies	858	447	50,082	(49,635)
Operations and Maintenance				
Supplies	1,261	678	225	453
Other Support Services				
Other	3,800	3,400	5,000	(1,600)
Total Expenditures	34,632	29,633	$ 92,082	$ (62,449)
Receipts Over (Under) Expenditures	1,888	1,287		
Unencumbered Cash, July 1	47,695	49,583		
Unencumbered Cash, June 30	$ 49,583	$ 50,870		

Unified School District Number 368
Paola, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Student Meal Receipts	$ 312,951	$ 298,813	$ 312,169	$ (13,356)
Adult Meal Receipts	10,950	11,272	20,078	(8,806)
Ala Carte Meals	94,050	116,652	209,263	(92,611)
Interest	7,190	22,971	10,000	12,971
Reimbursements	4,011	9,365	30,000	(20,635)
State Sources				
Equalization Aid	8,740	8,537	6,610	1,927
Federal Sources				
Child Nutrition Programs	802,704	533,184	519,359	13,825
Other	0	6,501	0	6,501
Total Cash Receipts	1,240,596	1,007,295	$ 1,107,479	$ (100,184)
Expenditures				
Food Service Operation				
Salaries	500,678	376,889	$ 522,179	$ (145,290)
Employee Benefits	51,234	36,144	57,800	(21,656)
Other Purchased Services	518,892	568,519	969,113	(400,594)
Supplies	2,430	6,895	1,000	5,895
Property	32,301	57,177	20,000	37,177
Other	7,826	4,927	6,500	(1,573)
Total Expenditures	1,113,361	1,050,551	$ 1,576,592	$ (526,041)
Receipts Over (Under) Expenditures	127,235	(43,256)		
Unencumbered Cash, July 1	341,878	469,113		
Unencumbered Cash, June 30	$ 469,113	$ 425,857		

Unified School District Number 368
Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Other	$ 0	$ 0	$ 500	$ (500)
State Sources				
State Aid	3,880	4,436	7,500	(3,064)
Operating Transfers				
General	0	50,000	7,500	42,500
Total Cash Receipts	3,880	$ 54,436	$ 15,500	$ 38,936
Expenditures				
Student Support Services				
Purchased Professional and Technical Services	24,217	$ 29,322	$ 93,391	$ (64,069)
Total Expenditures	24,217	$ 29,322	$ 93,391	$ (64,069)
Receipts Over (Under) Expenditures	(20,337)	25,114		
Unencumbered Cash, July 1	98,228	77,891		
Unencumbered Cash, June 30	$ 77,891	$ 103,005		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 21

SPECIAL PURPOSE FUNDS
PARENT EDUCATION PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Other District Payments	$ 92,655	$ 96,362	$ 96,361	$ 1
Other Revenue from Local	14,805	8,211	2,000	6,211
State Sources				
Parent Education Aid	188,188	221,600	221,600	0
Operating Transfers				
Supplemental General	30,000	31,200	31,200	0
Total cash receipts	325,648	357,373	$ 351,161	$ 6,212
Expenditures				
Student Support Services				
Salaries	245,047	273,822	$ 283,173	$ (9,351)
Employee Benefits	39,022	35,344	51,100	(15,756)
Other Purchased Services	21,706	15,444	10,488	4,956
Supplies	(768)	23	1,400	(1,377)
Property	1,921	1,921	4,000	(2,079)
Other	8,437	30,819	78,299	(47,480)
Total Expenditures	315,365	357,373	$ 428,460	$ (71,087)
Receipts Over (Under) Expenditures	10,283	0		
Unencumbered Cash, July 1	67,016	77,299		
Unencumbered Cash, June 30	$ 77,299	$ 77,299		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Other	$ 232,651	$ 176,071	$ 150,000	$ 26,071
Operating Transfers				
General	1,945,503	1,903,385	2,655,029	(751,644)
Supplemental General	1,055,045	1,134,113	1,210,700	(76,587)
Total Cash Receipts	3,233,199	3,213,569	$ 4,015,729	$ (802,160)
Expenditures				
Instruction				
Salaries	10,571	9,560	$ 35,000	$ (25,440)
Other Purchased Services	2,572,518	2,626,869	3,305,729	(678,860)
Supplies	0	0	1,000	(1,000)
Other			500,000	(500,000)
Vehicle Operating Services				
Employee Benefits	809	731	2,000	(1,269)
Purchased Property Services	501,794	404,451	653,500	(249,049)
Other Purchased Services	12,581	15,470	17,500	(2,030)
Supplies	0	0	1,000	(1,000)
Total Expenditures	3,098,273	3,057,081	$ 4,515,729	$ (1,458,648)
Receipts Over (Under) Expenditures	134,926	156,488		
Unencumbered Cash, July 1	2,114,517	2,249,443		
Unencumbered Cash, June 30	$ 2,249,443	$ 2,405,931		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2n

SPECIAL PURPOSE FUNDS
CAREER AND POSTSECONDARY EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Reimbursements	$ 18,161	$ 53,536	$ 5,000	$ 48,536
Miscellaneous	0	0	30,000	(30,000)
State Sources				
CTE Transportation Aide	25,879	23,219	36,363	(13,144)
Federal Sources				
Vocational Aid	0	0	10,000	(10,000)
Operating Transfers				
General	120,804	244,244	0	244,244
Supplemental General	528,328	440,756	741,837	(301,081)
Total Cash Receipts	693,172	761,755	$ 823,200	$ (61,445)
Expenditures				
Instruction				
Salaries	502,498	518,472	$ 1,055,000	$ (536,528)
Employee Benefits	66,016	60,940	83,800	(22,860)
Purchased Property Services	0	0	25,000	(25,000)
Other Purchased Services	4,920	7,494	5,150	2,344
Supplies	76,886	85,246	44,500	40,746
Property	0	0	10,000	(10,000)
Operations and Maintenance				
Purchased Property Services	2,597	1,934	4,750	(2,816)
Student Transportation				
Other	86,915	88,026	95,000	(6,974)
Total Expenditures	739,832	762,112	$ 1,323,200	$ (561,088)
Receipts Over (Under) Expenditures	(46,660)	(357)		
Unencumbered Cash, July 1	842,918	796,258		
Unencumbered Cash, June 30	$ 796,258	$ 795,901		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
KANSAS PUBLIC RETIREMENT SYSTEM

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
State Sources				
State Aid	$ 3,416,566	$ 3,337,979	$ 4,099,879	$ (761,900)
Total cash receipts	3,416,566	3,337,979	$ 4,099,879	$ (761,900)
Expenditures				
Instruction				
Employee Benefits	2,772,709	2,701,774	$ 3,358,857	$ (657,083)
Student support				
Employee Benefits	162,069	157,206	194,534	(37,328)
Instructional support				
Employee Benefits	52,002	47,833	47,985	(152)
General administration				
Employee Benefits	119,198	119,947	138,372	(18,425)
School administration				
Employee Benefits	121,718	120,245	137,862	(17,617)
Other supplemental services				
Employee Benefits	36,604	38,476	42,254	(3,778)
Maintenance				
Employee Benefits	84,820	99,215	99,546	(331)
Food service				
Employee Benefits	67,446	53,283	80,469	(27,186)
Total Expenditures	3,416,566	3,337,979	$ 4,099,879	$ (761,900)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	0	0		
Unencumbered Cash, June 30	$ 0	$ 0		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2p

SPECIAL PURPOSE FUNDS
CO-OP SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
Cash Receipts	2023 Actual	Actual	Budget	Variance Over (Under)
Local Sources				
Other Districts Payments	$ 10,730,757	$ 10,504,005	$ 12,210,588	$ (1,706,583)
USD 368 Payments	2,351,214	2,375,022	4,170,729	(1,795,707)
Interest	86,836	171,558	100,000	71,558
Reimbursements	809,930	680,144	0	680,144
State Sources				
Greenbush	221,304	251,847	0	251,847
Federal Sources				
Title VI B	2,357,052	2,037,523	2,037,523	0
Title VI B ECH Grant	0	(2,748)	0	(2,748)
Medicaid	574,474	530,779	650,000	(119,221)
Total Cash Receipts	17,131,567	16,548,130	$ 19,168,840	$ (2,620,710)
Expenditures				
Instruction				
Salaries	12,452,332	12,853,232	$ 13,685,000	$ (831,768)
Employee Benefits	2,064,179	2,097,596	2,460,500	(362,904)
Purchased Professional Services	271,792	3,825	496,555	(492,730)
Other Purchased Services	839,055	901,304	785,000	116,304
Supplies	232,831	255,571	1,278,785	(1,023,214)
Student Support Services				
Salaries	625,756	608,608	750,000	(141,392)
Special Area Administrative Services				
Salaries	347,398	385,015	430,000	(44,985)
Operations and Maintenance				
Purchased Professional Services	8,409	8,695	15,000	(6,305)
Purchased Property Services	608	603	4,000	(3,397)
Other Purchased Services	62,971	72,168	115,000	(42,832)
Vehicle Operating Service				
Other Purchased Services	116,557	91,958	130,000	(38,042)
Supplies	12,413	9,952	19,000	(9,048)
Total Expenditures	17,034,301	17,288,527	$ 20,168,840	$ (2,880,313)
Receipts Over (Under) Expenditures	97,266	(740,397)		
Unencumbered Cash, July 1	3,647,680	3,744,946		
Unencumbered Cash, June 30	$ 3,744,946	$ 3,004,549		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2q

SPECIAL PURPOSE FUNDS
SPECIAL ASSESSMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Delinquent Tax	$ 0	$ 2	$ 0	$ 2
Total Cash Receipts	0	2	$ 0	$ 2
Expenditures				
Facilities Acquisition				
Site Improvement Services	0	0	$ 26,436	$ (26,436)
Receipts Over (Under) Expenditures	0	2		
Unencumbered Cash, July 1	26,436	26,436		
Unencumbered Cash, June 30	$ 26,436	$ 26,438		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2r

SPECIAL PURPOSE FUNDS
TITLE I

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Federal Sources		
Grant	$ 333,321	$ 330,280
Expenditures		
Instruction		
Salaries	275,520	280,900
Employee Benefits	48,178	47,880
Purchased Professional Services	9,623	1,500
Total Expenditures	333,321	330,280
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	$ 0	$ 0

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2s

SPECIAL PURPOSE FUNDS
TITLE II A TEACHER QUALITY IMPROVEMENT GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Federal Sources		
Grants	$ 44,477	$ 38,520
Expenditures		
Instruction		
Salaries	19,594	13,628
Purchased Professional & Technical Services	24,883	24,892
Total Expenditures	44,477	38,520
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	$ 0	$ 0

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2t

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION - CARL PERKINS GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Federal Sources		
Grant	$ 18,010	$ 6,511
Expenditures		
Instruction		
Professional Development	4,883	2,622
Property	13,127	3,889
Total Expenditures	18,010	6,511
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	$ 0	$ 0

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2u

SPECIAL PURPOSE FUNDS
CORONAVIRUS FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Federal sources		
ESSER	$ 630,952	$ 2,628,112
Total Cash Receipts	630,952	2,628,112
Expenditures		
KDHE COVID Testing		
Student Support Services		
Services	645,353	15,009
KDHE HVAC Indoor Air Grant		
Student Support Services		
Services	0	13,397
ESSER		
Instruction		
Salaries	674,766	1,052,791
Supplies	7,836	509,901
Student Support Services		
Services	132,961	92,138
Total Expenditures	1,460,916	1,683,236
Receipts Over (Under) Expenditures	(829,964)	944,876
Unencumbered Cash, July 1	(114,912)	(944,876)
Unencumbered Cash, June 30	$ (944,876)	$ 0

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2v

SPECIAL PURPOSE FUNDS
CONTINGENCY RESERVE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Operating Transfers		
General Fund	$ 0	$ 112,852
Expenditures		
Miscellaneous	0	0
Receipts Over (Under) Expenditures	0	112,852
Unencumbered Cash, July 1	987,148	987,148
Unencumbered Cash, June 30	$ 987,148	$ 1,100,000

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2w

SPECIAL PURPOSE FUNDS
STUDENT MATERIAL REVOLVING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Local Sources		
Rental Fees	$ 125,556	$ 134,171
Operating Transfers		
General	0	431,070
Supplemental	0	31,830
Total Cash Receipts	125,556	597,071
Expenditures		
Instruction		
Textbook Purchases	125,381	121,619
Receipts Over (Under) Expenditures	175	475,452
Unencumbered Cash, July 1	116,476	116,651
Unencumbered Cash, June 30	$ 116,651	$ 592,103

Unified School District Number 368
Paola, Kansas

Schedule 2x

BOND & INTEREST FUNDS
BOND & INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Property	$ 2,057,254	$ 2,342,031	$ 2,200,921	$ 141,110
Delinquent	18,917	31,697	24,283	7,414
County Sources				
Motor Vehicle	168,285	165,179	261,472	(96,293)
Recreational Vehicle	5,029	4,540	7,968	(3,428)
Commercial Vehicle	9,654	7,431	14,412	(6,981)
In Lieu of Taxes IRB's	0	8	0	8
State Sources				
Equalization Aid	284,721	194,887	194,887	0
Total Cash Receipts	2,543,860	2,745,773	$ 2,703,943	$ 41,830
Expenditures				
Debt Service				
Bond Principal	1,880,000	1,925,000	$ 1,925,000	$ 0
Interest	310,162	240,412	240,412	0
Total Expenditures	2,190,162	2,165,412	$ 2,165,412	$ 0
Receipts Over (Under) Expenditures	353,698	580,361		
Unencumbered Cash, July 1,	4,904,951	5,258,649		
Unencumbered Cash, June 30,	$ 5,258,649	$ 5,839,010		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2y

BUSINESS TYPE FUNDS
HEALTH INSURANCE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Local Sources		
Interest	$ 6,554	$ 17,655
Reimbursements	3,001,163	2,820,086
Total Cash Receipts	3,007,717	2,837,741
Expenditures		
General		
Claims	2,340,829	2,332,382
Administrative Fees	173,985	7,807
Total Expenditures	2,514,814	2,340,189
Receipts Over (Under) Expenditures	492,903	497,552
Unencumbered Cash, July 1	77,243	570,146
Unencumbered Cash, June 30	$ 570,146	$ 1,067,698

Unified School District Number 368
Paola, Kansas

Schedule 2z

TRUST TYPE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2024

Expendable Trust Funds	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
Charitable Foundation	$ 127,371	$ 49,399	$ 51,494	$ 125,276
Panther Friends	16,086	5,108	(3,038)	24,232
Cops for Tots	4,706	0	0	4,706
Serving Our Students	75,633	28,171	26,685	77,119
Miami Co Med Center	12,517	0	1,269	11,248
Darland Scholarship	4,699	212	200	4,711
Greason Scholarship	1,850	93	93	1,850
Humphrey Scholarship	9,980	438	418	10,000
Hileman Scholarship	9,026	468	375	9,119
Total Expendable Trust Funds	$ 261,868	$ 83,889	$ 77,496	$ 268,261

Permanent Trust Funds	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
Cook Fund	$ 258,094	$ 11,310	$ 11,310	$ 258,094
Total Permanent Trust Funds	$ 258,094	$ 11,310	$ 11,310	$ 258,094
Total Trust Funds	$ 519,962	$ 95,199	$ 88,806	$ 526,355

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3a

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Sunflower Elementary School				
Miscellaneous	$ 1,175	$ 315	$ 315	$ 1,175
Teacher of the Year	1,000	1,500	1,000	1,500
Student Council	568	0	0	568
PTO	4,045	0	440	3,605
Donations	3,697	6,669	7,968	2,398
Total Sunflower Elementary	10,485	8,484	9,723	9,246
Cottonwood Elementary School				
Donations	1,463	979	2,442	0
PTO	1,705	4,028	5,733	0
Night at the Museum	1,582	0	1,582	0
Lowes Education	107	0	0	107
Miscellaneus	0	3,185	2,969	217
First Lego League	0	1,221	705	516
Total Cottonwood Elementary	4,857	9,413	13,430	840
Panther Robotics	1,237	1,666	829	2,074
Paola Middle School				
Band	433	30	6	457
F.I.R.S.T. LEGO	1,221	0	1,221	0
Athletic Donations	1,611	0	0	1,611
Scholastic	412	2,590	2,635	367
Kansas Association	471	2,412	2,293	590
Cheerleaders	632	360	920	72
Student Council	916	144	876	184
Teacher of the Year	1,000	1,500	0	2,500
Target (rebates)	203	245	162	286
Miscellaneous	8,033	4,719	7,844	4,908
Magazine Sales	14,723	27,989	26,660	16,052
PMS Vocal Music	57	9	66	0
Promotions	263	0	0	263
Donations	1,642	0	0	1,642
Love to Learn	250	0	0	250
Students Against Drunk Drivers	286	0	0	286
Total Paola Middle School	32,153	39,999	42,683	29,468

Unified School District Number 368
Paola, Kansas

Schedule 3a

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School				
ACE/Football	$ 9,286	$ 9,555	$ 11,922	$ 6,919
Art Club	3,392	1,995	2,059	3,327
Band	3,664	4,434	3,790	4,309
Counseling Donations	4,603	0	141	4,462
Class of 2024	5,698	2,759	6,260	2,197
Class of 2025	1,182	7,674	3,319	5,537
Drama Club	3,209	5,417	5,874	2,752
Drill Team	314	0	199	115
SKILLS USA Club	1,581	3,670	3,567	1,684
Culinary Arts	813	530	782	561
FCCLA	2,087	909	676	2,320
F.C.A.	67	0	0	67
Flag Team Club	82	305	0	387
F.B.L.A.	535	4,032	4,350	217
F.F.A.	19,399	41,633	45,601	15,431
Advertising	13,700	8,935	7,800	14,835
Kidwind	0	1,470	365	1,105
Rat Pack	95	0	0	95
Kansas Associates	1,899	1,265	1,558	1,606
Forensics	0	470	427	43
Madrigals Club	8,803	2,111	2,415	8,499
Breakfast Club	100	0	0	100
National Honor Society	1,623	390	248	1,765
Track and Field	0	338	110	228
Miscellaneous	4,379	9,549	11,443	2,485
Reporter	743	4,923	2,715	2,951
Robotics	29,272	56,582	42,487	43,367
Scholar Bowl	2,820	950	1,433	2,337
Scholarships	338	0	0	338
Debate	180	755	924	11
Spirit Club	6,637	14,925	19,974	1,588
Student Council	3,220	5,290	5,928	2,582
S.A.D.D.	965	0	0	965
Thespian Club	3,486	10,557	8,849	5,194
Girls Wrestling	1,962	1,624	1,152	2,434
Donations	1,237	245	1,192	290
Athletic Donations	11,314	180	9,001	2,493
Class of 2026	620	1,140	39	1,721
Grant/Ward	665	0	0	665
Class of 2027	0	1,022	0	1,022
Soccer	2,132	1,000	1,149	1,983
Class of 2022	959	0	0	959
Class of 2023	223	0	0	223

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3a

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School - continued				
Baseball	$ 8,436	$ 2,287	$ 5,595	$ 5,127
Boys Basketball	61	7,453	5,002	2,512
Cross Country	6,396	1,558	1,070	6,884
Girls Basketball	151	7,539	7,348	342
Softball	6,874	446	1,173	6,147
Volleyball	7,691	3,215	1,885	9,021
Wrestling	2,820	2,030	1,667	3,183
Total Paola High School	185,713	231,161	231,489	185,385
Total All Schools	$ 234,445	$ 290,723	$ 298,154	$ 227,014

Unified School District Number 368
Paola, Kansas

Schedule 3b

AGENCY FUNDS
RECREATION COMMISSION

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Local Sources		
Ad Valorem	$ 201,327	$ 238,599
Delinquent taxes	236	1,742
Motor Vehicle taxes	0	5,963
Recreational Vehicle taxes	0	169
Commercial Vehicle taxes	0	660
Total Cash Receipts	201,563	247,133
Expenditures		
Payments to Paola Recreation Commission	189,000	259,696
Total Expenditures	189,000	259,696
Receipts Over (Under) Expenditures	12,563	(12,563)
Unencumbered Cash, July 1	0	12,563
Unencumbered Cash, June 30	$ 12,563	$ 0

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3c

AGENCY FUNDS
RECREATION COMMISSION EMPLOYEE BENEFITS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023 Actual	2024 Actual
Cash Receipts		
Local Sources		
Ad Valorem	$ 0	$ 56,110
Delinquent taxes	0	83
Total Cash Receipts	0	56,193
Expenditures		
Payments to Paola Recreation Commission	0	56,193
Total Expenditures	0	56,193
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	$ 0	$ 0

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Sunflower Elementary School				
Fees and User Charges				
Yearbook	$ 453	$ 103	$ 56	$ 500
Field Trips	0	6,684	6,684	0
Petty Cash	0	500	500	0
Library	0	232	232	0
Roman Barnard	0	2,900	2,900	0
Activity	5	1,742	1,742	5
Total	458	12,162	12,115	505
Paola Middle School				
Gate Receipts				
Athletics	2,500	51,583	43,583	10,500
Fees and User Charges				
Petty Cash	0	500	500	0
Vending	0	1,884	1,884	0
Activities	40	7,656	7,676	20
Yearbook	0	7,398	7,343	55
Concessions	250	6,038	6,288	0
Pay to Participate	0	16,688	16,688	0
Roman Barnard	0	2,475	2,475	0
Chromebook	0	211	211	0
Sales Tax	0	6,194	6,194	0
Total	290	49,042	49,258	75
Paola High School				
Fees and User Charges				
Art Fees	503	5,842	2,873	3,472
Book	0	2,738	2,738	0
Pay to Participate	0	13,976	10,976	3,000
Concessions	1,323	15,053	14,650	1,726
Vending	88	0	0	88
Tech Fees	0	2,134	2,134	0
Drivers Education	0	9,155	9,155	0
FACS Lab Fees	0	286	286	0
Petty Cash	0	1,000	1,000	0
Strength Club	981	2,610	1,275	2,316

Unified School District Number 368
Paola, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
REGULATORY BASIS
For the year ended June 30, 2024

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School				
Fees and User Charges				
Chromebook Repairs	$ 0	$ 176	$ 176	$ 0
Vocational Ag	504	645	1,149	0
Woodworking	180	2,631	2,811	0
Yearbook Fees	0	40,637	40,637	0
Athletics	0	7,863	7,863	0
Leadership Class	683	0	250	433
Drama/Play	932	9,357	9,217	1,072
IHT	1,495	4,988	4,261	2,222
Roman Barnard	541	2,571	1,393	1,719
Sales Tax	0	11,158	11,158	0
Total	7,230	132,821	124,003	16,048
Gate Receipts	6,769	61,246	58,560	9,455
Cottonwood Elementary School				
Fees and User Charges				
Roman Barnard	0	2,900	2,900	0
Field Trips	0	4,554	4,554	0
Library	0	141	141	0
Petty Cash	0	300	300	0
Vending	0	571	571	0
Activities	0	3,377	3,377	0
	0	11,843	11,843	0
Administration Activity Fund				
Fees and charges	4,620	5,187	5,220	4,587
Total All Schools	$ 21,867	$ 323,884	$ 304,581	$ 41,170

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 5

RELATED MUNICIPAL ENTITY
ENDOWMENT TRUSTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDING BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Bea Mount	$ 99,542	$ 7,030	$ 4,800	$ 101,772
Carl Gump	169,141	17,403	22,398	164,146
William & Carol Young	245,222	17,305	12,000	250,527
Derek Leis	12,547	1,357	1,000	12,904
Edna Patterson	285,282	21,567	5,000	301,849
McLachlin/Boyd/Emery	46,867	3,329	2,000	48,196
Myrtle Haugn	35,197	2,538	1,000	36,735
Evening Lions	21,944	1,554	1,000	22,498
Rotary Scholars	24,147	2,717	1,000	25,864
McNelly Scholars	5,529	410	0	5,939
Nettie Hook	80,025	5,810	3,211	82,624
Walter and Lucille Smith	24,113	1,744	600	25,257
Schwartz Family	57,248	4,040	2,800	58,488
Vivian Kircher	11,067	784	500	11,351
Hillsdale Elementary	12,544	894	500	12,938
USD #368 Endowment	117,672	38,139	29,400	126,411
Jesse Barker	32,666	2,312	1,500	33,478
Quincy Hipp	9,323	662	400	9,585
Tracy Kohl	6,581	451	500	6,532
Stockwell	21,413	1,514	1,000	21,927
Frances Balocca	6,000	4,000	4,000	6,000
Roman/Barnard	219,911	17,230	11,050	226,091
Ralph and Ersa Wilcox Rossman	35,110	2,605	0	37,715
Ellyn Reynolds	354,203	25,168	16,000	363,371
Chloe Hays	2,189	163	0	2,352
Darrel Hurlbut	68,546	31,719	3,000	97,265
Kevin Armstrong	8,097	571	400	8,268
Diana Green	9,441	1,171	400	10,212
Kirk Wilson	20,787	2,157	700	22,244
W.C. Hartley	17,360	1,229	800	17,789
Carl Buchman	55,835	4,106	500	59,441
Vest Family	460,650	34,548	22,000	473,198
E. J. Meeks	62,497	4,489	2,000	64,986
Paola County	1,144	106	250	1,000
5 for 5	510	501	500	511
Dr. Robert Banks	20,874	1,475	1,000	21,349
PEO Sisterhood	40,160	4,762	3,000	41,922
Nada Thoden Memorial	14,842	1,064	500	15,406
Wendell & Louses Winkler	14,783	1,059	500	15,342
Steff (Knecht)	11,063	1,247	1,000	11,310

Unified School District Number 368
Paola, Kansas

Schedule 5

RELATED MUNICIPAL ENTITY
ENDOWMENT TRUSTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDING BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2024

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Dennis A Kurteng	$ 57,081	$ 4,050	$ 2,500	$ 58,631
Nevious Scholars	20,109	2,760	1,000	21,869
Lee Technical Education	60,369	4,369	2,985	61,753
Arky & Verla Thomas	10,101	712	500	10,313
Larry McGee Memorial	11,001	1,317	500	11,818
Nicholson Powel	12,788	912	500	13,200
USD #368 Music	11,500	4,002	1,998	13,504
Bracken Family	20,000	1,484	500	20,984
Grandon Family	25,500	28,747	0	54,247
Anniversary	35,290	8,224	2,000	41,514
Pat and Edie Hewie	15,800	1,113	800	16,113
Kenneth Nelson	10,000	371	0	10,371
Founders Fund	0	52,782	0	52,782
Leslie Coats	0	10,200	0	10,200
Linda French	0	10,000	0	10,000
Interest	145	235	271	109
Dividends	50,334	129,235	126,029	53,540
Stock Gains/Losses	46,702	166,083	128,117	84,668
Administration	47	3,466	5,190	(1,677)
	$ 3,128,839	$ 700,992	$ 431,099	$ 3,398,732

See Independent Auditor's Report.

Unified School District Number 368
Paola. Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grant Pass Through Grantor/Program Title	Federal CFDA Number	Revenues	Expenditures
U.S. Department of Education			
Pass Through Kansas Department of Education			
Special Ed Cluster			
Special Education Grants to States	84.027	$ 1,981,712	$ 1,981,712
Special Education Preschool	84.173	55,811	55,811
Total Special Education Cluster		2,037,523	2,037,523
Title I Grants to Local Education Agencies	84.010	304,060	304,060
Title IIA Improving Teacher Quality	84.367	38,520	38,520
Student Support & Academic Enrichment	84.424	26,220	26,220
ESSER III COVID-19 Coronavirus	84.425D	2,032,718	1,654,831
Pass Through Kansas Board of Regents			
Adult Education	84.002	208,946	208,946
Pass Through Greenbush			
Vocational Education	84.048	6,511	6,511
Total U.S. Department of Education		4,654,498	4,276,611
U.S. Department of Agriculture			
Pass Through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	91,948	91,948
National School Lunch Program	10.555	389,730	389,730
Cash for Commodities	10.559	47,562	47,562
Total ChildNutrition Cluster		529,240	529,240
Pass Through Kansas Department of Education			
Local Food for Schools (LFS) Cooperative	10.185	10,445	10,445
Total U.S. Department of Ariculture		539,685	539,685
U.S. Department of Transportation			
KDHE K-12 Covid Testing Grant	20.600	3,400	3,400
U.S. Department of Health and Human Services			
Pass Through Kansas Department of Education			
KDHE K-12 Covid Testing Grant	93.323	595,394	28,406
Total revenues and expenditures of federal awards		$ 5,792,977	$ 4,848,102

The District did not provide federal awards to sub recipients for the year ended June 30, 2024.

See accompanying notes to this schedule.

Unified School District Number 368
Paola, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2024

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 368 under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of Unified School District Number 368, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of Unified School District Number 368.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). 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 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 revenues 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Expenditures as reported on the Schedule are recognized under the basis described above and follow the cost principles contained in the Uniform Guidance regarding *Cost Principles* wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE C. NON-CASH ASSISTANCE, INSURANCE AND LOANS

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2024.

NOTE C. INDIRECT COST RATE

Unified School District Number 368 did not use the standard indirect cost rate of 10%.

SPECIAL REPORTS

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Certified Public Accountants

Harold K. Mayes, CPA
Lucille L. Hinderliter, CPA

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

Board of Education
Unified School District Number 368
Paola, 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 Number 368 as of and for the year ended June 30, 2024, and the related notes to the financial statement, which comprise the District's regulatory basis financial statements and have issued our report thereon dated September 20, 2024. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *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 the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Harold K. Mayes Jr.

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
September 20, 2024

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

Board of Education
Unified School District Number 368
Paola, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District Number 368's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unified School District Number 368's major federal programs for the year ended June 30, 2024. Unified School District Number 368's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District Number 368 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, 2024.

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* 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 Unified School District Number 368 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District Number 368's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Unified School District Number 368's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Unified School District Number 368's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment

made by a reasonable user of the report on compliance about Unified School District Number 368's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District Number 368's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Unified School District Number 368's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Unified School District Number 368's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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.

Harold K. Mayes Jr

Harold K . Mayes Jr CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
September 20, 2024

Unified School District Number 368
Paola, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP	Adverse
Type of report the auditor issued on whether the financial statement audited was prepared in accordance with regulatory basis	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses:	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified not considered to be material weaknesses:	None noted
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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal awards	No

Identification of major programs:

CFDA Number's	Name of Federal Program or Cluster	Amount
U.S. Department of Education		
Special Education Cluster		
84.173	EC Flo-Thru	$ 55,811
84.027	EHC Flo-Thru	1,981,712
	Subtotal	2,037,523
U.S. Department of Education		
84.425D	ESSER III	1,654,831
	Subtotal	1,654,831
U.S. Department of Health and Human Services		
93.323	KDHE K-12 Covid Testing Grant	28,406
		$ 3,720,760

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as a low-risk auditee?	No