CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
CLEARWATER, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2023

BFR

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
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INDEPENDENT AUDITORS' REPORT

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Clearwater Unified School District No. 264, Clearwater, Kansas**, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of **June 30, 2023**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Clearwater Unified School District No. 264, Clearwater, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

BFR CPA, LLC
10000 W. 37th St. N.
Wichita, Kansas 67205-7700

(316) 945-1500
Fax (316) 945-1505
bfr@bfrcpa.com

Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Clearwater Unified School District No. 264, Clearwater, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Clearwater Unified School District No. 264, Clearwater, Kansas'** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Clearwater Unified School District No. 264, Clearwater, Kansas'** ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of cash receipts and expenditures-capital projects, agency funds schedules of regulatory basis cash receipts and disbursements, and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Board of Education
Clearwater Unified School District No. 264

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended June 30, 2022, and have issued our report thereon dated September 30, 2022, which contained an unmodified opinion on the basic financial statement.

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

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023, on our consideration of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting or on compliance That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC

BFR CPA, LLC
October 13, 2023

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 9,011,912	$ 9,011,912	$ 0	$ 15,179	$ 15,179
Special Purpose Funds							
Supplemental General	81,721	0	2,834,988	2,837,458	79,251	4,462	83,713
Preschool-Aged At-Risk	10,000	0	31,528	31,528	10,000	455	10,455
At Risk (K-12)	239,312	0	927,951	949,375	217,888	0	217,888
Bilingual Education	179	0	969	0	1,148	0	1,148
Virtual Education	6,000	0	0	0	6,000	0	6,000
Capital Outlay	1,502,873	0	1,085,283	1,179,912	1,408,244	59,634	1,467,878
Driver Training	24,050	0	9,194	5,163	28,081	0	28,081
Food Service	332,555	0	673,050	714,517	291,088	0	291,088
Professional Development	74,818	0	58,092	44,299	88,611	0	88,611
Special Education	872,581	0	2,379,678	2,365,851	886,408	0	886,408
Career and Postsecondary Education	106,616	0	303,431	295,047	115,000	0	115,000
KPERS Contribution	0	0	971,126	971,126	0	0	0
Recreation Commission	24,069	0	261,636	264,900	20,805	0	20,805
Recreation Commission Employee Benefits	23,901	0	43,722	42,250	25,373	0	25,373
Federal Funds	(285,255)	0	830,970	656,151	(110,436)	0	(110,436)
Gifts and Grants	16,163	0	26,117	25,979	16,301	10,000	26,301
Contingency Reserve	764,548	0	65,000	0	829,548	0	829,548
Textbook & Student Material Revolving	117,194	0	175,432	85,492	207,134	0	207,134
Perkins Consortium Vo-Ed Grant	0	0	8,562	8,562	0	0	0
HS FACS Grants	105	0	2,599	2,564	140	0	140
Health Council Grant	734	0	0	0	734	0	734
District Activity Funds	99,390	0	350,395	320,909	128,876	0	128,876
Bond & Interest Fund	2,633,694	0	2,405,213	2,122,619	2,916,288	0	2,916,288
	$ 6,645,248	$ 0	$ 22,456,848	$ 21,935,614	$ 7,166,482	$ 89,730	$ 7,256,212

Composition of Cash:	Checking Accounts	$ 6,053,044
	Savings Accounts	331,199
	Investments	913,846
		7,298,089
	Agency Funds	(41,877)
		$ 7,256,212

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

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Clearwater Unified School District No. 264 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Clearwater, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

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

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

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

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

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

Budget and Tax Cycle

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

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

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

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

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

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

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook & Student Material Revolving Fund
Perkins Consortium Vo-Ed Grant Fund	HS FACS Grants Fund
Health Council Grant	District Activity Funds

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

Note 2 - Defined Benefit Pension Plan:

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

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

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $971,126 for the year ended June 30, 2023.

Net Pension Liability

At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $9,222,724. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 3 - Compensated Absences:

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

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

Note 4 - Termination Benefits:

The District supports an early retirement plan for certified staff under the negotiated agreement. Certified staff are eligible under the plan if they were employed by the District for terms prior to 2007-2008, 60 years of age, and have been employed by the District for ten years of continuous service and an additional five years under KPERS employment. Certified staff electing early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 75% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

Certified staff employed by the District for periods prior to 2007-2008 are also eligible under the plan for a reduced retirement benefit at age 55 or an age that fulfills the KPERS retirement options, have a minimum of ten years continuous service with the District, and have an additional five years under KPERS employment. Certified staff electing the reduced early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 50% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

It is the policy of the District to record early retirement benefits as expenditures when paid. The District paid $133,330 in postemployment benefits for 15 former employees during the year ended June 30, 2023.

Note 5 - Deposits & Investments:

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

Investment Type	Fair Value	Rating U.S.
Kansas Municipal Investment Pool	$ 913,846	N/A

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2023, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $6,384,243 and the bank balance was $7,690,087. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $437,558 was covered by federal depository insurance and the remaining $7,252,529 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2023, the District had invested $913,846 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 6 - Reimbursed Expenditures:

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

Note 7 - Contingencies:

Grant Programs

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

Risk Management

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

Note 8 - Interfund Transactions:

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

	Transfer to:								
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Professional Development	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material	Total
General Fund	$ 31,528	$ 706,062	$ 685	$ 50,000	$ 1,602,895	$ 295,960	$ 65,000	$ 125,000	$ 2,877,130
Supplemental General Fund	0	221,889	284	0	665,901	0	0	0	888,074
	$ 31,528	$ 927,951	$ 969	$ 50,000	$ 2,268,796	$ 295,960	$ 65,000	$ 125,000	$ 3,765,204

Note 9 - Postemployment Benefits:

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

Note 10 - Subsequent Events:

The District has evaluated subsequent events through October 13, 2023, the date which the financial statement was available to be issued.

Note 11 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due either monthly or annually.

Terms for long-term liabilities for the District for the year ended June 30, 2023, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2017 Series	3.000 - 5.000	6/1/2017	$ 15,000,000	9/1/2036
2020 Series	1.250	7/1/2020	$ 4,595,000	9/1/2023
Capital Leases				
Networking Equipment	0.00	3/25/2020	$ 329,082	7/15/2022
Multifunction Printers	0.00	12/19/2019	$ 75,660	2/15/2025

Changes in long-term liabilities for the District for the year ended June 30, 2023, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2017 Series	$ 15,000,000	$ 0	$ 0	$ 15,000,000	$ 578,400
2020 Series	3,095,000	0	1,515,000	1,580,000	29,219
	18,095,000	0	1,515,000	16,580,000	607,619
Capital Leases					
Networking Equipment	109,694	0	109,694	0	0
Multifunction Printers	40,352	0	15,132	25,220	0
	150,046	0	124,826	25,220	0
	$ 18,245,046	$ 0	$ 1,639,826	$ 16,605,220	$ 607,619

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

	Principal			Interest			
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Total Principal and Interest
2024	$ 1,580,000	$ 15,132	$ 1,595,132	$ 588,275	$ 0	$ 588,275	$ 2,183,407
2025	910,000	10,088	920,088	555,650	0	555,650	1,475,738
2026	960,000	0	960,000	508,900	0	508,900	1,468,900
2027	990,000	0	990,000	460,150	0	460,150	1,450,150
2028	1,050,000	0	1,050,000	409,150	0	409,150	1,459,150
2029 - 2033	6,025,000	0	6,025,000	1,337,700	0	1,337,700	7,362,700
2034 - 2037	5,065,000	0	5,065,000	295,894	0	295,894	5,360,894
	$ 16,580,000	$ 25,220	$ 16,605,220	$ 4,155,719	$ 0	$ 4,155,719	$ 20,760,939

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 9,082,212	$ (71,300)	$ 1,000	$ 9,011,912	$ 9,011,912	$ 0
Special Purpose Funds						
Supplemental General	2,842,375	(4,917)	0	2,837,458	2,837,458	0
Preschool-Aged At-Risk	32,000	0	0	32,000	31,528	(472)
At Risk (K-12)	1,012,778	0	0	1,012,778	949,375	(63,403)
Bilingual Education	3,929	0	0	3,929	0	(3,929)
Virtual Education	22,800	0	0	22,800	0	(22,800)
Capital Outlay	2,508,841	0	0	2,508,841	1,179,912	(1,328,929)
Driver Training	33,890	0	0	33,890	5,163	(28,727)
Food Service	853,875	0	0	853,875	714,517	(139,358)
Professional Development	116,193	0	0	116,193	44,299	(71,894)
Special Education	2,959,259	0	0	2,959,259	2,365,851	(593,408)
Career and Postsecondary Education	425,116	0	0	425,116	295,047	(130,069)
KPERS Contribution	1,043,788	0	0	1,043,788	971,126	(72,662)
Recreation Commission	264,900	0	0	264,900	264,900	0
Recreation Commission Employee Benefits	42,250	0	0	42,250	42,250	0
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	656,151	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	25,979	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	85,492	XXXXXXXXXX
Perkins Consortium Vo-Ed Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	8,562	XXXXXXXXXX
HS FACS Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,564	XXXXXXXXXX
Health Council Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	320,909	XXXXXXXXXX
Bond & Interest Fund	2,122,619	0	0	2,122,619	2,122,619	0
	$ 23,366,825	$ (76,217)	$ 1,000	$ 23,291,608	$ 21,935,614	$ (2,455,651)

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 4,325	$ 1,000	$ 0	$ 1,000
State Sources	8,806,139	9,010,912	9,082,212	(71,300)
	8,810,464	9,011,912	$ 9,082,212	$ (70,300)
Expenditures				
Instruction	2,487,971	2,158,096	$ 2,594,443	$ (436,347)
Student Support Services	305,138	286,480	330,600	(44,120)
Instructional Support Staff	425,369	444,312	486,545	(42,233)
General Administration	194,434	209,355	217,950	(8,595)
School Administration	739,001	779,789	822,625	(42,836)
Central Services	236,930	258,946	294,550	(35,604)
Operations & Maintenance	1,290,778	1,526,899	1,454,354	72,545
Student Transportation Services	381,682	417,533	439,425	(21,892)
Other Support Services	20,431	48,124	0	48,124
Facility Acquisition & Construction Services	4,498	5,248	0	5,248
Transfers	2,724,232	2,877,130	2,441,720	435,410
Adjustment to Comply With Legal Max	0	0	(71,300)	71,300
Adjustment for Qualifying Budget Credits	0	0	1,000	(1,000)
	8,810,464	9,011,912	$ 9,011,912	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,018,013	$ 1,113,931	$ 1,016,119	$ 97,812
County Sources	115,820	114,772	135,466	(20,694)
State Sources	1,581,548	1,606,285	1,609,068	(2,783)
	2,715,381	2,834,988	$ 2,760,653	$ 74,335
Expenditures				
Instruction	1,988,031	1,943,905	$ 2,025,500	$ (81,595)
General Administration	0	2,495	8,000	(5,505)
Operations & Maintenance	6,366	2,984	10,000	(7,016)
Transfers	756,121	888,074	798,875	89,199
Adjustment to Comply With Legal Max	0	0	(4,917)	4,917
	2,750,518	2,837,458	$ 2,837,458	$ 0
Receipts Over (Under) Expenditures	(35,137)	(2,470)		
Unencumbered Cash, Beginning	116,858	81,721		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 81,721	$ 79,251		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Preschool-Aged At-Risk Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 26,038	$ 31,528	$ 22,000	$ 9,528
	26,038	31,528	$ 22,000	$ 9,528
Expenditures				
Instruction	26,038	31,348	$ 32,000	$ (652)
Instructional Support Staff	0	180	0	180
	26,038	31,528	$ 32,000	$ (472)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	10,000	10,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 10,000	$ 10,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

At Risk (K-12) Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,440	$ 0	$ 2,100	$ (2,100)
Transfers	662,479	927,951	771,366	156,585
	663,919	927,951	$ 773,466	$ 154,485
Expenditures				
Instruction	468,434	889,330	$ 884,342	$ 4,988
Student Support Services	46,173	54,272	90,936	(36,664)
Instructional Support Staff	0	5,773	37,500	(31,727)
	514,607	949,375	$ 1,012,778	$ (63,403)
Receipts Over (Under) Expenditures	149,312	(21,424)		
Unencumbered Cash, Beginning	90,000	239,312		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 239,312	$ 217,888		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 1,882	$ 969	$ 3,750	$ (2,781)
	1,882	969	$ 3,750	$ (2,781)
Expenditures				
Instruction	2,626	0	$ 3,929	$ (3,929)
	2,626	0	$ 3,929	$ (3,929)
Receipts Over (Under) Expenditures	(744)	969		
Unencumbered Cash, Beginning	923	179		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 179	$ 1,148		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 0	$ 0	$ 16,800	$ (16,800)
	0	0	$ 16,800	$ (16,800)
Expenditures				
Instruction	0	0	$ 22,800	$ (22,800)
	0	0	$ 22,800	$ (22,800)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	6,000	6,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 6,000	$ 6,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 656,109	$ 695,045	$ 602,916	$ 92,129
County Sources	63,865	66,020	78,436	(12,416)
State Sources	287,556	324,218	324,616	(398)
	1,007,530	1,085,283	$ 1,005,968	$ 79,315
Expenditures				
Instruction	405,299	670,613	$ 935,000	$ (264,387)
Instructional Support Staff	0	2,660	0	2,660
General Administration	10,050	0	46,500	(46,500)
School Administration	454	0	0	0
Operations & Maintenance	87,596	115,621	165,000	(49,379)
Transportation	85,683	100,194	335,000	(234,806)
Other Support Services	0	0	32,500	(32,500)
Facility Acquisition & Construction Services	236,522	290,824	994,841	(704,017)
	825,604	1,179,912	$ 2,508,841	$ (1,328,929)
Receipts Over (Under) Expenditures	181,926	(94,629)		
Unencumbered Cash, Beginning	1,320,947	1,502,873		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,502,873	$ 1,408,244		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 5,530	$ 4,434	$ 5,250	$ (816)
State Sources	2,440	4,760	4,590	170
	7,970	9,194	$ 9,840	$ (646)
Expenditures				
Instruction	6,172	4,925	$ 30,875	$ (25,950)
Instructional Support Staff	0	238	0	238
Central Services	0	0	3,015	(3,015)
Vehicle Operations, Maintenance Services	511	0	0	0
	6,683	5,163	$ 33,890	$ (28,727)
Receipts Over (Under) Expenditures	1,287	4,031		
Unencumbered Cash, Beginning	22,763	24,050		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 24,050	$ 28,081		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Food Service Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 66,778	$ 296,590	$ 222,201	$ 74,389
State Sources	5,894	5,758	4,603	1,155
Federal Sources	718,126	370,702	294,516	76,186
	790,798	673,050	$ 521,320	$ 151,730
Expenditures				
Operations & Maintenance	3,826	2,195	$ 50,795	$ (48,600)
Food Service Operation	721,202	712,322	803,080	(90,758)
	725,028	714,517	$ 853,875	$ (139,358)
Receipts Over (Under) Expenditures	65,770	(41,467)		
Unencumbered Cash, Beginning	266,785	332,555		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 332,555	$ 291,088		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 10,700	$ 1,080	$ 0	$ 1,080
State Sources	0	7,012	6,375	637
Transfers	50,000	50,000	35,000	15,000
	60,700	58,092	$ 41,375	$ 16,717
Expenditures				
Instructional Support Staff	24,971	44,299	$ 116,193	$ (71,894)
	24,971	44,299	$ 116,193	$ (71,894)
Receipts Over (Under) Expenditures	35,729	13,793		
Unencumbered Cash, Beginning	39,089	74,818		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 74,818	$ 88,611		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 350,877	$ 110,882	$ 0	$ 110,882
Federal Sources	59,160	0	0	0
Transfers	2,302,614	2,268,796	2,086,679	182,117
	2,712,651	2,379,678	$ 2,086,679	$ 292,999
Expenditures				
Instruction	2,073,363	2,179,612	$ 2,153,125	$ 26,487
Instructional Support Staff	1,800	706	2,100	(1,394)
Student Transportation Services	214,908	185,533	243,250	(57,717)
Other Support Services	0	0	560,784	(560,784)
	2,290,071	2,365,851	$ 2,959,259	$ (593,408)
Receipts Over (Under) Expenditures	422,580	13,827		
Unencumbered Cash, Beginning	450,001	872,581		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 872,581	$ 886,408		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 36,246	$ 7,471	$ 13,500	$ (6,029)
Transfers	347,340	295,960	305,000	(9,040)
	383,586	303,431	$ 318,500	$ (15,069)
Expenditures				
Instruction	366,715	295,022	$ 425,116	$ (130,094)
Instructional Support Staff	255	25	0	25
	366,970	295,047	$ 425,116	$ (130,069)
Receipts Over (Under) Expenditures	16,616	8,384		
Unencumbered Cash, Beginning	90,000	106,616		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 106,616	$ 115,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

KPERS Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 907,642	$ 971,126	$ 1,043,788	$ (72,662)
	907,642	971,126	$ 1,043,788	$ (72,662)
Expenditures				
Instruction	507,917	543,441	$ 576,438	$ (32,997)
Student Support	46,381	49,625	55,380	(5,755)
Instructional Support Staff	46,381	49,625	55,380	(5,755)
General Administration	49,920	53,411	59,450	(6,039)
School Administration	71,976	77,010	78,500	(1,490)
Central Services	46,380	49,625	55,380	(5,755)
Operations & Maintenance	46,380	49,625	55,380	(5,755)
Student Transportation Services	46,380	49,625	55,380	(5,755)
Food Service Operation	45,927	49,139	52,500	(3,361)
	907,642	971,126	$ 1,043,788	$ (72,662)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 215,164	$ 236,623	$ 221,375	$ 15,248
County Sources	24,262	25,013	29,449	(4,436)
	239,426	261,636	$ 250,824	$ 10,812
Expenditures				
Community Service Operations	234,500	264,900	$ 264,900	$ 0
	234,500	264,900	$ 264,900	$ 0
Receipts Over (Under) Expenditures	4,926	(3,264)		
Unencumbered Cash, Beginning	19,143	24,069		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 24,069	$ 20,805		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Recreation Commission Employee Benefits Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 35,854	$ 39,559	$ 36,883	$ 2,676
County Sources	4,529	4,163	4,907	(744)
	40,383	43,722	$ 41,790	$ 1,932
Expenditures				
Community Service Operations	35,000	42,250	$ 42,250	$ 0
	35,000	42,250	$ 42,250	$ 0
Receipts Over (Under) Expenditures	5,383	1,472		
Unencumbered Cash, Beginning	18,518	23,901		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 23,901	$ 25,373		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Bond & Interest Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,299,604	$ 1,396,631	$ 1,304,223	$ 92,408
County Sources	155,350	157,406	184,622	(27,216)
State Sources	804,160	851,176	851,176	0
	2,259,114	2,405,213	$ 2,340,021	$ 65,192
Expenditures				
Debt Service	2,066,088	2,122,619	$ 2,122,619	$ 0
	2,066,088	2,122,619	$ 2,122,619	$ 0
Receipts Over (Under) Expenditures	193,026	282,594		
Unencumbered Cash, Beginning	2,440,668	2,633,694		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 2,633,694	$ 2,916,288		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 514,149	$ 830,970
	514,149	830,970
Expenditures		
Instruction	624,578	511,407
Student Support Services	63,792	17,145
Instructional Support Staff	63,189	117,586
General Administration	1,077	0
School Administration	3,232	0
Central Services	1,077	9,135
Operations & Maintenance	2,753	0
Student Transportation Services	3,183	878
	762,881	656,151
Receipts Over (Under) Expenditures	(248,732)	174,819
Unencumbered Cash, Beginning	(36,523)	(285,255)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (285,255)	$ (110,436)

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 6,453	$ 26,117
	6,453	26,117
Expenditures		
Instruction	7,637	25,979
	7,637	25,979
Receipts Over (Under) Expenditures	(1,184)	138
Unencumbered Cash, Beginning	17,347	16,163
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 16,163	$ 16,301

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 65,000
	0	65,000
Expenditures		
Other Support Services	0	0
	0	0
Receipts Over (Under) Expenditures	0	65,000
Unencumbered Cash, Beginning	732,885	764,548
Prior Year Canceled Encumbrances	31,663	0
Unencumbered Cash, Ending	$ 764,548	$ 829,548

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Textbook & Student Material
Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 49,951	$ 50,432
Transfers	90,000	125,000
	139,951	175,432
Expenditures		
Instruction	195,439	85,492
	195,439	85,492
Receipts Over (Under) Expenditures	(55,488)	89,940
Unencumbered Cash, Beginning	172,682	117,194
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 117,194	$ 207,134

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Perkins Consortium Vo-Ed Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 19,530	$ 8,562
	19,530	8,562
Expenditures		
Instruction	19,530	8,562
	19,530	8,562
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

HS FACS Grants

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 645	$ 2,599
	645	2,599
Expenditures		
Instruction	679	2,564
	679	2,564
Receipts Over (Under) Expenditures	(34)	35
Unencumbered Cash, Beginning	139	105
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 105	$ 140

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Health Council Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 534	$ 0
	534	0
Expenditures		
Instruction	0	0
	0	0
Receipts Over (Under) Expenditures	534	0
Unencumbered Cash, Beginning	200	734
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 734	$ 734

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	$ 477	$ 0
	477	0
Expenditures		
Facility Acquisition & Construction Services	138,497	0
	138,497	0
Receipts Over (Under) Expenditures	(138,020)	0
Unencumbered Cash, Beginning	138,020	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Senior	$ 100	$ 1,968	$ 1,994	$ 74
Junior	2,068	17,794	13,523	6,339
Sophmore	5,767	4,150	7,857	2,060
C-Club	4,173	4,062	1,033	7,202
SADD	1,786	1,901	1,915	1,772
Senior D.C. Trip	10	27,110	26,533	587
Stuco-B.O.S.	1,153	2,077	1,906	1,324
Kay	720	1,651	1,290	1,081
Stuco-Regular	3,147	7,321	7,607	2,861
Cheerleaders	2,645	22,567	17,181	8,031
Nat'l Honor Society	494	340	334	500
Color Guard	104	0	41	63
Dance Team	0	10,638	9,853	785
Art Club	28	0	0	28
Girls Who Code	2	0	0	2
FCCLA	3,848	6,674	8,050	2,472
	26,045	108,253	99,117	35,181
Intermediate - Middle School				
Cheerleaders	1,800	1,110	2,259	651
KAYS Group	326	3,741	2,764	1,303
Student Council-BOS	1,062	681	862	881
Tribal Council	3,846	8,671	8,656	3,861
	7,034	14,203	14,541	6,696
Total Agency Funds	$ 33,079	$ 122,456	$ 113,658	$ 41,877

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
High School							
Activities	$ 37,843	$ 0	$ 240,754	$ 221,645	$ 56,952	$ 0	$ 56,952
Yearbook	20,161	0	11,008	14,365	16,804	0	16,804
Industrial Arts	903	0	6,240	6,218	925	0	925
Drama	1,364	0	6,097	4,632	2,829	0	2,829
Instrumental Music	5,690	0	3,234	3,327	5,597	0	5,597
Vocal Music	6,724	0	2,497	1,390	7,831	0	7,831
Photo/Art	2,704	0	175	13	2,866	0	2,866
RevTrack	0	0	5,780	5,447	333	0	333
CHS Crime Stoppers	32	0	0	0	32	0	32
School Improvement	1,444	0	202	420	1,226	0	1,226
	76,865	0	275,987	257,457	95,395	0	95,395
Intermediate - Middle School							
Activities	5,198	0	53,808	42,517	16,489	0	16,489
IM Yearbook	0	0	1,677	1,001	676	0	676
MS Yearbook	481	0	1,064	611	934	0	934
Annual K-6	1,065	0	0	1,065	0	0	0
Vocal Music	1,908	0	0	1,329	579	0	579
Field Trips/Apparel/Track Team	122	0	1,245	1,230	137	0	137
Outdoor Classroom	427	0	0	0	427	0	427
Band	23	0	2,000	2,023	0	0	0
RevTrack	0	0	3,012	2,898	114	0	114
Book Fair	67	0	2,303	2,286	84	0	84
	9,291	0	65,109	54,960	19,440	0	19,440

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Grade School West							
Annual	1,948	0	2,429	2,041	2,336	0	2,336
Field Day	3,185	0	2,362	1,998	3,549	0	3,549
Field Trip/Apparel	2,749	0	0	50	2,699	0	2,699
Stuco (BOS)	5,194	0	33	200	5,027	0	5,027
RevTrack	0	0	2,071	1,799	272	0	272
Book Fair	158	0	2,404	2,404	158	0	158
	13,234	0	9,299	8,492	14,041	0	14,041
Total District Activity Funds	$ 99,390	$ 0	$ 350,395	$ 320,909	$ 128,876	$ 0	$ 128,876

FEDERAL AWARD INFORMATION

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

Board of Education
Clearwater Unified School District No. 264
Clearwater, 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 **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statement, which collectively comprise **Clearwater Unified School District No. 264, Clearwater, Kansas'** basic financial statement, and have issued our report thereon dated October 13, 2023. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control.

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

BFR CPA, LLC
10000 W. 37th St. N.
Wichita, Kansas 67205-7700

(316) 945-1500
Fax (316) 945-1505
bfr@bfrcpa.com

Board of Education
Clearwater Unified School District No. 264

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Clearwater Unified School District No. 264, Clearwater, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

BFR CPA, LLC

BFR CPA, LLC
October 13, 2023

BFR

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

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

Report on Compliance for The Major Federal Program

Opinion on Each Major Federal Program

We have audited **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the types of compliance requirements described as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal program for the year ended **June 30, 2023**. **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Clearwater Unified School District No. 264, Clearwater, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended **June 30, 2023.**

Basis for Opinion on The Major Federal Program

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

We are required to be independent of **Clearwater Unified School District No. 264, Clearwater, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the compliance requirements referred to above.

BFR CPA, LLC
10000 W. 37th St. N.
Wichita, Kansas 67205-7700

(316) 945-1500
Fax (316) 945-1505
bfr@bfrcpa.com

Board of Education
Clearwater Unified School District No. 264

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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of Education
Clearwater Unified School District No. 264

Report on Internal Control Over Compliance

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

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

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

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

BFR CPA, LLC

BFR CPA, LLC
October 13, 2023

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grant Title	Assistance Listing Number	Program Amount	Expenditures
(Passes Through Kansas Department of Education)			
Department of Agriculture			
Child Nutrition Cluster-Cluster			
School Breakfast Program	10.553	$ 51,401	$ 51,401
National School Lunch Program	10.555	286,003	286,003
Summer Food Service Program for Children	10.559	33,299	47,582
		370,703	384,986
Department of Education			
Title I Grants to Local Educational Agencies	84.010	159,289	159,289
Supporting Effective Instruction State Grants	84.367	36,499	36,499
Student Support and Academic Enrichment Program	84.424	17,789	17,789
COVID-19 Education Stabilization Fund	84.425U	963,120	442,573
		1,176,697	656,150
(Passes Through South Central Kansas Education Service Center)			
Department of Education			
Career and Technical Education - Basic Grants to States	84.048	8,562	8,562
Total Federal Awards		$ 1,555,962	$ 1,049,698

The accompanying notes are an integral part of the schedule.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Clearwater Unified School District No. 264, Clearwater, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

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

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas**.

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

3. No instances of noncompliance material to the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas**, were disclosed during the audit.

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

5. The independent auditors' report on compliance for the major federal award program for **Clearwater Unified School District No. 264, Clearwater, Kansas**, expresses an unmodified opinion on all the federal program.

6. There were no audit findings relative to the major federal award program for **Clearwater Unified School District No. 264, Clearwater, Kansas**.

7. The program tested as a major program was:
   COVID-19 Education Stabilization Fund 84.425U

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

9. **Clearwater Unified School District No. 264, Clearwater, Kansas**, was determined not to be a low-risk auditee.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

There are no prior audit findings.