UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2023

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UNIFIED SCHOOL DISTRICT NO. 497
Financial Statements
For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, Kansas (the District), as of and for the year ended June 30, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of receipts, expenditures and unencumbered cash and the summary of receipts and disbursements-agency funds (Schedules 1, 2, 3 and 4) as listed in the table of contents are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 4, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2022 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2023 (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.

The District's basic financial statement for the year ended June 30, 2022 (not presented herein), was audited by other auditors whose report, dated December 7, 2022, expressed an unmodified opinion on the basic financial statement. The 2022 basic financial statement and the other auditor's report are available in electronic format from the website of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The report of the other auditors dated December 7, 2022, stated that the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2022, was subjected to 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, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 4, 2023

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 81,412,496	$ 81,412,496	$ -	$ 5,926,607	$ 5,926,607
Supplemental General	2,274,691	-	24,662,351	25,556,389	1,380,653	323,916	1,704,569
Special Purpose Funds:							
Adult Basic Education	567,166	-	615,697	468,927	713,936	14,968	728,904
At Risk (4 Year Old)	4,998	-	443,161	394,015	54,144	41,283	95,427
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	-	-	12,184,566	9,562,382	2,622,184	1,284,560	3,906,744
Bilingual Education	-	-	658,028	605,487	52,541	45,520	98,061
Virtual Education	-	-	3,219,246	3,162,053	57,193	256,632	313,825
Capital Outlay	11,842,395	-	15,307,919	11,734,748	15,415,566	3,828,661	19,244,227
Driver Training	18,941	-	405	-	19,346	-	19,346
Food Service	1,790,405	-	4,923,513	4,876,621	1,837,297	80,015	1,917,312
Professional Development	-	-	491,394	241,394	250,000	96,935	346,935
Parent Education Program	63,542	-	258,799	169,656	152,685	-	152,685
Summer School	30,032	-	21,168	30,872	20,328	7,938	28,266
Special Education	2,726,237	-	26,998,088	25,551,219	4,173,106	2,075,470	6,248,576
Cost of Living	734,468	-	2,254,023	1,138,259	1,850,232	-	1,850,232
Career and Postsecondary Education	-	-	1,662,516	1,612,275	50,241	186,817	237,058
KPERS Special Retirement Contribution	-	-	10,512,136	10,512,136	-	-	-
Contingency Reserve	1,117,347	-	1,524,977	-	2,642,324	-	2,642,324
Student Material Revolving	321,734	-	1,819,666	673,990	1,467,410	250,295	1,717,705
Grants	[1,739,619]	-	9,258,769	14,304,005	[6,784,855]	4,217,428	[2,567,427]
Bond and Interest Fund:							
Bond and Interest	13,171,432	-	15,346,779	13,929,125	14,589,086	-	14,589,086
Special Assessment	470,870	-	1	7,839	463,032	-	463,032
Capital Projects Fund:							
Capital Project	-	-	-	-	-	-	-
Business Funds:							
School Workers' Compensation Reserve	1,016,204	-	527,719	453,460	1,090,463	-	1,090,463
Health Care Services Reserve	489,525	-	13,228,167	12,503,743	1,213,949	-	1,213,949
Trust Funds:							
Private Purpose Trust	2,128,785	-	2,050,414	2,048,704	2,130,495	119,262	2,249,757
Total Reporting Entity (excluding Agency Funds)	$ 37,055,135	$ -	$ 229,381,998	$ 220,949,795	$ 45,487,338	$ 18,756,307	$ 64,243,645

Composition of Cash:

U.S. Bank - Checking	$ 61,660,780
Commerce Bank - Certificates of Deposit	4,884
Optum Bank - Imprest	10,825
Total Cash	61,676,489
Less: Agency Funds per Schedule 4	2,567,156
Total Reporting Entity (Excluding Agency Funds)	$ 64,243,645

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

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

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

Reimbursed Expenses

Expenditures in the amount of $1,228,296 and $53,177 are classified as reimbursed expenses in the General Fund and the Supplemental General Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

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

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

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

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

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

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (enterprise and internal service funds).

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

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

Budgetary Information

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

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

If the District is holding a revenue neutral rating hearing, the budget timeline for the adoption of the final budget has been adjusted to on or before September 20th. The District did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2023.

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

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

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

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

NOTE 2 - Deposits and Investments

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

NOTE 2 - Deposits and Investments (Continued)

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

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods."

As of June 30, 2023, the District's carrying amount of deposits was $61,676,489 and the bank balance was $62,124,007. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $15,455,519 was covered by federal depository insurance and $46,668,488 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.

NOTE 3 - 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 establishes 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 contribution rates are withheld by their employer and paid to KPERS according to 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 payments of $19.4 million starting in fiscal year 2020.

NOTE 3 - Defined Benefit Pension Plan (Continued)

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $10,512,136 for the year ended June 30, 2023.

Net Pension Liability. As of June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $105,835,962. 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 these financial statements.

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 4 - Other Long-Term Obligations

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

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

Death and Disability Other-Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2023.

NOTE 5 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2023, the amount for accrued vacation pay was $439,982.

NOTE 6 - Tax-Deferred 403(b) Retirement Plan

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

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

The District contributes $60 per month ($720 annually), $75 per month ($900 annually) and $85 per month ($1,020 annually) into each full-time professional employee's Employer Paid Account, for classified, certified and administrative employees, respectively. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

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

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

Vesting Service	Vesting %
Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6+	100%

A professional employee shall have access to the fully vested portion of their Employer Paid Account upon separation from service with the District. In the event the professional employee returns to a professional employee position within the District at a future date, the previous years of service will be allowed toward placement on the vesting schedule. District contributions to employees' Employer Paid Plans for the year ending June 30, 2023 was $1,229,823.

NOTE 7 - Risk Management

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

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2023, such interfund premiums did not exceed reimbursable expenditures.

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

Unpaid claims, July 1, 2022	$ 417,168
Incurred claims (including IBNRs)	82,624
Claim payments	[147,953]
Unpaid claims, June 30, 2023	$ 351,839

NOTE 8 - Commitments and Contingencies

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

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

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

NOTE 9 - Interfund Transfers

Transfers for the year ended June 30, 2023, are approved by the Board of Education and are as follows:

From	To	Amount	Regulatory Authority
General	Bilingual Education	$ 340,128	K.S.A. 72-5167
General	Virtual Education	3,195,298	K.S.A. 72-5167
General	Food Service	78,109	K.S.A. 72-5167
General	Professional Development	310,147	K.S.A. 72-5167
General	Special Education	16,652,735	K.S.A. 72-5167
General	Career and Postsecondary Education	1,035,297	K.S.A. 72-5167
General	Contingency Reserve	322,909	K.S.A. 72-5167
General	At Risk (4 Year Old)	223,021	K.S.A. 72-5167
General	At Risk (K-12)	9,310,620	K.S.A. 72-5167
General	Health Care Service Reserve	912,091	K.S.A. 72-5167
General	School Workers' Compensation Reserve	148,242	K.S.A. 72-5167
General	Student Material Revolving	500,000	K.S.A. 72-5167
Supplemental General	Contingency Reserve	960,987	K.S.A. 72-5143
Supplemental General	Student Material Revolving	500,000	K.S.A. 72-5143
Supplemental General	Bilingual Education	314,831	K.S.A. 72-5143
Supplemental General	Professional Development	160,772	K.S.A. 72-5143
Supplemental General	Parent Education Program	93,000	K.S.A. 72-5143
Supplemental General	Special Education	6,136,124	K.S.A. 72-5143
Supplemental General	At Risk (4 Year Old)	95,000	K.S.A. 72-5143
Supplemental General	At Risk (K-12)	2,810,454	K.S.A. 72-5143
Supplemental General	Health Care Service Reserve	912,091	K.S.A. 72-5143
Supplemental General	Career and Postsecondary Education	600,000	K.S.A. 72-5143
General	Health Care Service Reserve	3,581,075	K.S.A. 72-8415a
Supplemental General	Health Care Service Reserve	1,002,041	K.S.A. 72-8415a
Food Service	Health Care Service Reserve	339,641	K.S.A. 72-8415a
Career and Postsecondary Education	Health Care Service Reserve	142,503	K.S.A. 72-8415a
Special Education	Health Care Service Reserve	2,464,450	K.S.A. 72-8415a
Adult Basic Education	Health Care Service Reserve	34,362	K.S.A. 72-8415a
Virtual Education	Health Care Service Reserve	223,820	K.S.A. 72-8415a
Bilingual Education	Health Care Service Reserve	61,889	K.S.A. 72-8415a
Parent Education Program	Health Care Service Reserve	21,545	K.S.A. 72-8415a
At Risk (K-12)	Health Care Service Reserve	993,795	K.S.A. 72-8415a
At Risk (4 Year Old)	Health Care Service Reserve	41,678	K.S.A. 72-8415a
Grants	Health Care Service Reserve	448,881	K.S.A. 72-8415a
General	School Workers' Compensation Reserve	143,186	K.S.A. 44-505e
Supplemental General	School Workers' Compensation Reserve	47,036	K.S.A. 44-505e
Food Service	School Workers' Compensation Reserve	6,451	K.S.A. 44-505e
Career and Postsecondary Education	School Workers' Compensation Reserve	5,696	K.S.A. 44-505e
Special Education	School Workers' Compensation Reserve	78,225	K.S.A. 44-505e
Summer School	School Workers' Compensation Reserve	133	K.S.A. 44-505e
Adult Basic Education	School Workers' Compensation Reserve	1,739	K.S.A. 44-505e
Virtual Education	School Workers' Compensation Reserve	10,368	K.S.A. 44-505e
Professional Development	School Workers' Compensation Reserve	433	K.S.A. 44-505e
Bilingual Education	School Workers' Compensation Reserve	2,099	K.S.A. 44-505e
Parent Education Program	School Workers' Compensation Reserve	649	K.S.A. 44-505e
At Risk (K-12)	School Workers' Compensation Reserve	39,063	K.S.A. 44-505e
At Risk (4 Year Old)	School Workers' Compensation Reserve	1,608	K.S.A. 44-505e
Grants	School Workers' Compensation Reserve	40,937	K.S.A. 44-505e
Local Donations	School Workers' Compensation Reserve	111	K.S.A. 44-505e
Total		$ 55,345,270	

NOTE 10 - Early Retirement Benefits

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

The benefits from this plan are computed using a formula based upon salary, age, and KPERS service credit and are payable over a five-year period in January each year. The cost of this plan in the fiscal year ended June 30, 2023 was $1,448,465.

The outstanding liability for this plan is as follows:

Year ended June 30,	
2024	$ 1,252,372
2025	948,472
2026	614,355
2027	412,266
2028	116,266
	$ 3,343,731

NOTE 11 - Long-Term Debt

The following table details the District's long-term liabilities, including finance leases, as of June 30, 2023:

Debt Issue	Date Issued	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2023
General Obligation Bonds:					
Series 2012-A Refunding	12/15/2012	9/1/2025	2.00%	$ 9,890,000	$ 8,595,000
Series 2013-A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	27,150,000
Series 2014 A Improvement	12/18/2014	9/1/2034	2.00 - 5.00%	36,000,000	28,250,000
Series 2016-A Refunding & Improvement	1/28/2016	9/1/2035	3.00 - 5.00%	44,045,000	14,775,000
Series 2017-A Improvement	9/28/2017	9/1/2037	3.00 - 5.00%	43,500,000	38,275,000
Series 2018-A Improvement	10/11/2018	9/1/2037	2.50 - 5.00%	43,500,000	40,775,000
Finance Leases:					
Energy savings equipment	7/12/2006	10/12/2025	4.90%	1,683,575	382,257
Facilities & operations real estate	12/15/2017	6/15/2027	2.70%	4,837,711	2,089,931
Field turf	5/22/2018	5/1/2028	3.35%	5,829,030	2,843,346
Technology equipment	2/27/2019	2/24/2024	2.83%	1,993,769	421,636
ESC improvements	2/13/2020	2/1/2030	2.09%	3,000,000	2,162,897
Technology equipment	2/1/2021	2/1/2024	0.00%	4,269,150	1,067,288
Technology equipment	3/3/2023	3/3/2025	0.00%	3,219,816	2,146,544
				$ 237,768,051	$ 168,933,898

NOTE 11 - Long-Term Debt (Continued)

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

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
G.O. Bonds To Be Paid With:					
Tax Levies					
Series 2012-A Refunding	$ 8,720,000	$ -	$ 125,000	$ 8,595,000	$ 173,150
Series 2013-A Improvement	28,375,000	-	1,225,000	27,150,000	1,143,113
Series 2014 A Improvement	29,250,000	-	1,000,000	28,250,000	1,043,000
Series 2016-A Refunding & Improvement	18,960,000	-	4,185,000	14,775,000	757,675
Series 2017-A Improvement	38,850,000	-	575,000	38,275,000	1,488,156
Series 2018-A Improvement	41,350,000	-	575,000	40,775,000	1,639,031
	165,505,000	-	7,685,000	157,820,000	6,244,125
Finance Leases					
Energy savings equipment	491,127	-	108,870	382,257	29,244
Facilities & operations real estate	2,578,311	-	488,380	2,089,931	59,747
Field turf	3,358,881	-	515,535	2,843,346	96,260
Technology equipment	831,507	-	409,871	421,636	20,798
Technology equipment	501,415	-	501,415	-	47,933
ESC improvements	2,447,036	-	284,139	2,162,897	49,547
Technology equipment	2,134,575	-	1,067,288	1,067,288	-
Technology equipment	-	3,219,816	1,073,272	2,146,544	-
	12,342,852	3,219,816	4,448,770	11,113,898	303,529
Total	$ 177,847,852	$ 3,219,816	$ 12,133,770	$ 168,933,898	$ 6,547,654

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

Year Ended June 30,	Principal	Interest	Total
2024	$ 8,060,000	$ 5,864,938	$ 13,924,938
2025	8,455,000	5,542,238	13,997,238
2026	8,705,000	5,294,550	13,999,550
2027	8,875,000	4,992,125	13,867,125
2028	9,255,000	4,624,088	13,879,088
2029 - 2033	52,305,000	17,083,050	69,388,050
2034 - 2038	62,165,000	5,826,294	67,991,294
	$ 157,820,000	$ 49,227,281	$ 207,047,281

NOTE 11 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the finance leases are as follows:

	Principal	Interest	Total
2024	$ 3,993,932	$ 195,322	$ 4,189,254
2025	2,540,778	170,809	2,711,587
2026	1,559,906	134,057	1,693,962
2027	1,433,152	67,050	1,500,201
2028	935,794	32,892	968,686
2029 - 2030	650,337	17,037	667,375
	$ 11,113,898	$ 617,167	$ 11,731,065

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

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over [Under]
General Funds						
General	$ 82,471,771	$ [2,287,571]	$ 1,228,296	$ 81,412,496	$ 81,412,496	$ -
Supplemental General	25,503,212		53,177	25,556,389	25,556,389	-
Special Purpose Funds:						
Adult Basic Education	600,000	-	-	600,000	468,927	[131,073]
At Risk (4 Year Old)	605,000	-	-	605,000	394,015	[210,985]
Adult Supplemental Education	-	-	-	-	-	-
At Risk (K-12)	9,750,000	-	-	9,750,000	9,562,382	[187,618]
Bilingual Education	865,000	-	-	865,000	605,487	[259,513]
Virtual Education	6,525,000	-	-	6,525,000	3,162,053	[3,362,947]
Capital Outlay	18,000,000	-	-	18,000,000	11,734,748	[6,265,252]
Driver Training	-	-	-	-	-	-
Food Service	7,792,838	-	-	7,792,838	4,876,621	[2,916,217]
Professional Development	300,000	-	-	300,000	241,394	[58,606]
Parent Education Program	240,000	-	-	240,000	169,656	[70,344]
Summer School	50,031	-	-	50,031	30,872	[19,159]
Special Education	29,600,000	-	-	29,600,000	25,551,219	[4,048,781]
Cost of Living	2,997,000	-	-	2,997,000	1,138,259	[1,858,741]
Career and Postsecondary Education	1,930,000	-	-	1,930,000	1,612,275	[317,725]
KPERS Special Retirement Contribution	11,558,796	-	-	11,558,796	10,512,136	[1,046,660]
Grants	15,000,000	-	-	15,000,000	14,304,005	[695,995]
Bond and Interest Fund:						
Bond and Interest	13,934,125	-	-	13,934,125	13,929,125	[5,000]
Special Assessment	470,871	-	-	470,871	7,839	[463,032]

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 66,126,532	$ 67,208,754	$ 67,903,271	$ [694,517]
Special education aid	12,487,869	12,975,446	14,568,500	[1,593,054]
Reimbursed expenses	1,036,281	1,228,296	-	1,228,296
Total Receipts	79,650,682	81,412,496	$ 82,471,771	$ [1,059,275]
Expenditures				
Instruction	28,234,989	25,193,510	$ 27,580,558	$ [2,387,048]
Student support services	3,787,612	3,587,091	4,225,000	[637,909]
Instructional support staff	1,692,340	1,533,980	1,880,000	[346,020]
General administration	155,908	465,374	147,500	317,874
School administration	307,728	311,564	356,000	[44,436]
Central services	1,012,022	1,271,363	859,700	411,663
Operations and maintenance	9,809,237	11,925,508	12,115,000	[189,492]
Student transportation services	343,349	371,249	1,640,000	[1,268,751]
Transfers out	34,307,497	36,752,857	33,668,013	3,084,844
Adjustments to comply with legal max	-	-	[2,287,571]	2,287,571
Adjustments for qualifying budget credits	-	-	1,228,296	[1,228,296]
Total Expenditures	79,650,682	81,412,496	$ 81,412,496	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 497
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 17,068,029	$ 18,025,388	$ 18,536,368	$ [510,980]
Delinquent taxes	188,287	200,364	261,661	[61,297]
Motor vehicle taxes	1,568,600	1,522,510	1,529,481	[6,971]
Reimbursed expenses	57,831	53,177	-	53,177
State aid	5,396,480	4,860,912	4,860,912	-
Total Receipts	24,279,227	24,662,351	$ 25,188,422	$ [526,071]
Expenditures				
Instruction	973,206	-	$ 1,686,970	$ [1,686,970]
Student support services	283,640	186,535	355,000	[168,465]
Instructional support staff	2,614,719	1,548,527	2,895,000	[1,346,473]
General administration	324,446	190,181	360,000	[169,819]
School administration	4,580,292	4,338,496	5,355,000	[1,016,504]
Central services	3,550,949	3,173,881	3,580,000	[406,119]
Operations and maintenance	48,660	520,026	80,000	440,026
Student transportation services	2,137,758	1,966,407	2,100,000	[133,593]
Transfers out	10,151,915	13,632,336	9,091,242	4,541,094
Adjustments for qualifying budget credits	-	-	53,177	[53,177]
Total Expenditures	24,665,585	25,556,389	$ 25,556,389	$ -
Receipts Over [Under] Expenditures	[386,358]	[894,038]		
Unencumbered Cash, Beginning	2,661,049	2,274,691		
Unencumbered Cash, Ending	$ 2,274,691	$ 1,380,653		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Adult Basic Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 391,691	$ 436,735	$ 414,101	$ 22,634
Delinquent taxes	2,767	3,845	6,016	[2,171]
Motor vehicle taxes	29,109	32,812	32,930	[118]
Federal aid	82,803	84,895	84,000	895
State aid	53,083	53,410	55,000	[1,590]
Reimbursed expenses	1,800	2,000	108	1,892
Miscellaneous	2,852	2,000	-	2,000
Total Receipts	564,105	615,697	$ 592,155	$ 23,542
Expenditures				
Instruction	326,346	328,668	$ 473,000	$ [144,332]
Student support services	29,482	30,368	33,000	[2,632]
Instructional support staff	49,435	41,618	59,000	[17,382]
Operations and maintenance	32,172	32,172	35,000	[2,828]
Transfers out	35,040	36,101	-	36,101
Total Expenditures	472,475	468,927	$ 600,000	$ [131,073]
Receipts Over [Under] Expenditures	91,630	146,770		
Unencumbered Cash, Beginning	475,536	567,166		
Unencumbered Cash, Ending	$ 567,166	$ 713,936		

UNIFIED SCHOOL DISTRICT NO. 497
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Miscellaneous	$ 19,955	$ 121,000	$ 170,000	$ [49,000]
Reimbursed expenses	2,390	2,140	-	2,140
Donations	500	2,000	-	2,000
Transfers in	393,760	318,021	430,000	[111,979]
Total Receipts	416,605	443,161	$ 600,000	$ [156,839]
Expenditures				
Instruction	244,410	$ 222,086	$ 448,000	$ [225,914]
Instructional support staff	95,673	97,423	116,000	[18,577]
School administration	29,797	31,220	41,000	[9,780]
Transfers out	46,745	43,286	-	43,286
Total Expenditures	416,625	394,015	$ 605,000	$ [210,985]
Receipts Over [Under] Expenditures	[20]	49,146		
Unencumbered Cash, Beginning	5,018	4,998		
Unencumbered Cash, Ending	$ 4,998	$ 54,144		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Adult Supplemental Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Miscellaneous	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Instruction	-	-	$ -	$ -
Total Expenditures	-	-	$ -	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	25,982	25,982		
Unencumbered Cash, Ending	$ 25,982	$ 25,982		

UNIFIED SCHOOL DISTRICT NO. 497
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfers in	$ 7,884,881	$ 12,121,074	$ 9,700,000	$ 2,421,074
Reimbursed expenses	41,056	63,492	50,000	13,492
Total Receipts	7,925,937	12,184,566	$ 9,750,000	$ 2,434,566
Expenditures				
Instruction	7,039,534	8,488,300	$ 9,703,000	$ [1,214,700]
Instructional support staff	38,616	41,224	47,000	[5,776]
Transfers out	847,787	1,032,858	-	1,032,858
Total Expenditures	7,925,937	9,562,382	$ 9,750,000	$ [187,618]
Receipts Over [Under] Expenditures	-	2,622,184		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 2,622,184		

UNIFIED SCHOOL DISTRICT NO. 497
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Reimbursed expenses	$ 3,765	$ 3,069	$ 85,000	$ [81,931]
Transfers in	728,004	654,959	780,000	[125,041]
Total Receipts	731,769	658,028	$ 865,000	$ [206,972]
Expenditures				
Instruction	408,906	356,393	$ 602,000	$ [245,607]
Student support services	128,862	75,815	146,000	[70,185]
Instructional support staff	111,240	109,291	117,000	[7,709]
Transfers out	82,761	63,988	-	63,988
Total Expenditures	731,769	605,487	$ 865,000	$ [259,513]
Receipts Over [Under] Expenditures	-	52,541		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 52,541		

UNIFIED SCHOOL DISTRICT NO. 497
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Reimbursed expenses	$ 22,585	$ 13,310	$ -	$ 13,310
Miscellaneous	13,113	10,638	50,195	[39,557]
Transfers in	4,377,220	3,195,298	6,027,090	[2,831,792]
Total Receipts	4,412,918	3,219,246	$ 6,077,285	$ [2,858,039]
Expenditures				
Instruction	3,518,944	2,466,286	$ 5,735,000	$ [3,268,714]
Student support staff	125,216	127,132	132,000	[4,868]
Instructional support staff	23,082	1,102	26,000	[24,898]
School administration	395,893	330,619	510,000	[179,381]
Operations and maintenance	31,891	2,726	122,000	[119,274]
Transfers out	317,892	234,188	-	234,188
Total Expenditures	4,412,918	3,162,053	$ 6,525,000	$ [3,362,947]
Receipts Over [Under] Expenditures	-	57,193		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 57,193		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 10,460,841	10,770,977	$ 10,228,426	$ 542,551
Delinquent taxes	101,097	115,950	160,591	[44,641]
Motor vehicle taxes	871,400	872,539	879,587	[7,048]
Investment income	1,613	3,983	-	3,983
Reimbursed expenses	4,088	4,464	-	4,464
Lease proceeds	1,833,063	3,219,816	-	3,219,816
Miscellaneous	697,833	298,447	2,500,000	[2,201,553]
Donations	9,119	-	-	-
Flood control	42,088	21,743	-	21,743
Total Receipts	14,021,142	15,307,919	$ 13,768,604	$ 1,539,315
Expenditures				
Instruction	305,267	4,974,247	$ 700,000	$ 4,274,247
Student support services	2,743	-	50,000	[50,000]
Instructional support staff	9,145	946	-	946
School administration	16,175	31,424	-	31,424
Central services	3,072,179	711,880	1,500,000	[788,120]
Operations and maintenance	1,111,318	937,245	900,000	37,245
Other support services	92,324	993,434	-	993,434
Facility acquisition and construction services	5,739,454	4,085,572	14,850,000	[10,764,428]
Transfers out	77,004	-	-	-
Total Expenditures	10,425,609	11,734,748	$ 18,000,000	$ [6,265,252]
Receipts Over [Under] Expenditures	3,595,533	3,573,171		
Unencumbered Cash, Beginning	8,246,862	11,842,395		
Unencumbered Cash, Ending	$ 11,842,395	$ 15,415,566		

UNIFIED SCHOOL DISTRICT NO. 497
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 11,102	$ -	$ -	$ -
Charges for services	1,250	405	-	405
Total Receipts	12,352	405	$ -	$ 405
Expenditures				
Instruction	118	-	$ -	$ -
Total Expenditures	118	-	$ -	$ -
Receipts Over [Under] Expenditures	12,234	405		
Unencumbered Cash, Beginning	6,707	18,941		
Unencumbered Cash, Ending	$ 18,941	$ 19,346		

UNIFIED SCHOOL DISTRICT NO. 497
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 6,301,611	$ 3,374,819	$ 3,750,037	$ [375,218]
State aid	45,344	40,611	42,476	[1,865]
Charges for services	41,926	1,429,773	1,723,195	[293,422]
Miscellaneous	-	-	86,804	[86,804]
Investment income	3	201	526,725	[526,524]
Transfers in	-	78,109	526,725	[448,616]
Total Receipts	6,388,884	4,923,513	$ 6,655,962	$ [1,732,449]
Expenditures				
Food service operation	5,134,433	4,530,529	$ 7,792,838	$ [3,262,309]
Transfers out	322,650	346,092	-	346,092
Total Expenditures	5,457,083	4,876,621	$ 7,792,838	$ [2,916,217]
Receipts Over [Under] Expenditures	931,801	46,892		
Unencumbered Cash, Beginning	858,604	1,790,405		
Unencumbered Cash, Ending	$ 1,790,405	$ 1,837,297		

UNIFIED SCHOOL DISTRICT NO. 497
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Miscellaneous	$ 262	$ 72	$ 31,595	$ [31,523]
State aid	-	20,403	28,405	[8,002]
Transfers in	213,731	470,919	240,000	230,919
Total Receipts	213,993	491,394	$ 300,000	$ 191,394
Expenditures				
Instructional support staff	204,218	230,707	$ 300,000	$ [69,293]
Student support services	1,500	-	-	-
School administration	7,712	10,254	-	10,254
Transfers out	563	433	-	433
Total Expenditures	213,993	241,394	$ 300,000	$ [58,606]
Receipts Over [Under] Expenditures	-	250,000		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 250,000		

UNIFIED SCHOOL DISTRICT NO. 497
Parent Education Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Federal aid	$ 9,829	$ 1,216	$ 10,000	$ [8,784]
State aid	126,774	116,302	150,000	[33,698]
Miscellaneous	32,104	48,281	35,000	13,281
Transfers in	43,000	93,000	43,000	50,000
Total Receipts	211,707	258,799	$ 238,000	$ 20,799
Expenditures				
Student support services	164,497	147,462	$ 240,000	$ [92,538]
Transfers out	23,453	22,194	-	22,194
Total Expenditures	187,950	169,656	$ 240,000	$ [70,344]
Receipts Over [Under] Expenditures	23,757	89,143		
Unencumbered Cash, Beginning	39,785	63,542		
Unencumbered Cash, Ending	$ 63,542	$ 152,685		

UNIFIED SCHOOL DISTRICT NO. 497
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Charges for services	$ 12,415	$ 11,843	$ -	$ 11,843
Reimbursed expenses	7,440	9,325	20,000	[10,675]
Total Receipts	19,855	21,168	$ 20,000	$ 1,168
Expenditures				
Instruction	25,499	30,739	$ 50,031	$ [19,292]
Transfers out	106	133	-	133
Total Expenditures	25,605	30,872	$ 50,031	$ [19,159]
Receipts Over [Under] Expenditures	[5,750]	[9,704]		
Unencumbered Cash, Beginning	35,782	30,032		
Unencumbered Cash, Ending	$ 30,032	$ 20,328		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 296,613	$ 401,247	$ 12,000	$ 389,247
Federal aid	2,827,933	2,938,944	4,420,229	[1,481,285]
Reimbursed expenses	851,252	846,951	-	846,951
Investment income	-	22,087	-	22,087
Transfers in	22,847,184	22,788,859	13,639,165	9,149,694
Total Receipts	26,822,982	26,998,088	$ 18,071,394	$ 8,926,694
Expenditures				
Instruction	14,891,731	13,135,214	$ 19,650,000	$ [6,514,786]
Student support services	4,289,241	5,134,158	4,860,000	274,158
Instructional support staff	1,266,561	1,247,195	1,590,000	[342,805]
School administration	103	-	-	-
Operations and maintenance	221	2,676	-	2,676
Student transportation	3,032,695	3,487,076	3,500,000	[12,924]
Central services	22	2,225	-	2,225
Transfers out	2,742,133	2,542,675	-	2,542,675
Total Expenditures	26,222,707	25,551,219	$ 29,600,000	$ [4,048,781]
Receipts Over [Under] Expenditures	600,275	1,446,869		
Unencumbered Cash, Beginning	2,125,962	2,726,237		
Unencumbered Cash, Ending	$ 2,726,237	$ 4,173,106		

UNIFIED SCHOOL DISTRICT NO. 497
Cost of Living Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 2,239,554	$ 2,109,214	$ 25,665	$ 2,083,549
Delinquent taxes	11,130	18,711	37,747	[19,036]
Motor vehicle taxes	97,094	126,098	124,873	1,225
Total Receipts	2,347,778	2,254,023	$ 188,285	$ 2,065,738
Expenditures				
State payment	1,955,035	1,138,259	$ 2,997,000	$ [1,858,741]
Total Expenditures	1,955,035	1,138,259	$ 2,997,000	$ [1,858,741]
Receipts Over [Under] Expenditures	392,743	1,115,764		
Unencumbered Cash, Beginning	341,725	734,468		
Unencumbered Cash, Ending	$ 734,468	$ 1,850,232		

UNIFIED SCHOOL DISTRICT NO. 497
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Reimbursed expenses	$ 29,394	$ 25,719	$ -	$ 25,719
State aid	-	1,500	-	1,500
Miscellaneous	-	-	30,000	[30,000]
Transfers in	1,756,631	1,635,297	1,900,000	[264,703]
Total Receipts	1,786,025	1,662,516	$ 1,930,000	$ [267,484]
Expenditures				
Instruction	1,492,557	1,317,307	$ 1,751,700	$ [434,393]
Instructional support staff	42,856	39,821	61,300	[21,479]
Operations and maintenance	99,004	106,056	117,000	[10,944]
Student transportation	818	893	-	893
Transfers out	150,790	148,198	-	148,198
Total Expenditures	1,786,025	1,612,275	$ 1,930,000	$ [317,725]
Receipts Over [Under] Expenditures	-	50,241		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 50,241		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 11,008,377	$ 10,512,136	$ 11,558,796	$ [1,046,660]
Total Receipts	11,008,377	10,512,136	$ 11,558,796	$ [1,046,660]
Expenditures				
Instruction	7,398,534	6,911,812	$ 7,600,000	$ [688,188]
Student support services	1,074,459	1,091,339	1,200,000	[108,661]
Instructional support staff	725,084	727,559	800,000	[72,441]
General administration	43,966	54,567	60,000	[5,433]
School administration	624,608	636,614	700,000	[63,386]
Operations and maintenance	428,278	418,347	460,000	[41,653]
Central services	370,183	399,063	438,796	[39,733]
Food service	343,265	272,835	300,000	[27,165]
Total Expenditures	11,008,377	10,512,136	$ 11,558,796	$ [1,046,660]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Investment income	$ -	$ 241,081
Transfers in	200,000	1,283,896
Total Receipts	200,000	1,524,977
Expenditures		
General administration	24,039	-
Total Expenditures	24,039	-
Receipts Over [Under] Expenditures	175,961	1,524,977
Unencumbered Cash, Beginning	805,800	1,117,347
Prior year cancelled encumbrance	135,586	-
Unencumbered Cash, Ending	$ 1,117,347	$ 2,642,324

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 793,737	$ 819,666
Transfers in	-	1,000,000
Total Receipts	793,737	1,819,666
Expenditures		
Instruction	1,587,658	673,990
Total Expenditures	1,587,658	673,990
Receipts Over [Under] Expenditures	[793,921]	1,145,676
Unencumbered Cash, Beginning	1,115,655	321,734
Unencumbered Cash, Ending	$ 321,734	$ 1,467,410

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Title I	$ 1,594,783	$ 1,854,123	$ 1,600,000	$ 254,123
Title IIA	299,513	204,476	340,000	[135,524]
Carl Perkins Vocational Act Program Improvement	55,591	88,621	-	88,621
Title III	66,444	97,091	70,000	27,091
Title IV	59,441	60,601	70,000	[9,399]
Johnson O'Malley	12,642	-	-	-
ESSER II	3,065,186	1,154,571	2,000,000	[845,429]
ESSER III	1,244,919	5,369,816	10,500,000	[5,130,184]
Other federal aid	165,495	429,470	2,117,267	[1,687,797]
Total Receipts	6,564,014	9,258,769	$ 16,697,267	$ [7,438,498]
Expenditures				
Instruction	5,438,250	6,365,640	$ 9,657,000	$ [3,291,360]
Student support services	789,070	1,533,504	1,420,000	113,504
Instructional support staff	711,354	1,254,439	1,190,000	64,439
General administration	19,077	24,734	-	24,734
School administration	151,773	253,538	220,000	33,538
Central services	97,708	429,260	108,000	321,260
Operations and maintenance	186,648	357,256	245,000	112,256
Student transportation	13,518	21,906	20,000	1,906
Food service	90,705	198,643	108,000	90,643
Student activities	-	6,713	-	6,713
Facility acquisition and construction services	-	3,368,554	2,032,000	1,336,554
Transfers out	432,626	489,818	-	489,818
Total Expenditures	7,930,729	14,304,005	$ 15,000,000	$ [695,995]
Receipts Over [Under] Expenditures	[1,366,715]	[5,045,236]		
Unencumbered Cash, Beginning	[372,904]	[1,739,619]		
Unencumbered Cash, Ending	$ [1,739,619]	$ [6,784,855]		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 12,762,812	$ 14,106,144	$ 13,360,443	$ 745,701
Delinquent taxes	129,743	144,926	195,989	[51,063]
Motor vehicle taxes	1,097,290	1,079,445	1,085,553	[6,108]
Miscellaneous	356,757	-	-	-
Reimbursed expense	8	-	-	-
Investment income	13	16,264	-	16,264
Total Receipts	14,346,623	15,346,779	$ 14,641,985	$ 704,794
Expenditures				
Principal	7,380,000	7,685,000	$ 7,685,000	$ -
Interest	6,573,763	6,244,125	6,244,125	-
Fees	-	-	5,000	[5,000]
Total Expenditures	13,953,763	13,929,125	$ 13,934,125	$ [5,000]
Receipts Over [Under] Expenditures	392,860	1,417,654		
Unencumbered Cash, Beginning	12,778,572	13,171,432		
Unencumbered Cash, Ending	$ 13,171,432	$ 14,589,086		

UNIFIED SCHOOL DISTRICT NO. 497
Special Assessment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Delinquent taxes	$ 11	$ 1	$ -	$ 1
Total Receipts	11	1	$ -	$ 1
Expenditures				
Facility acquisition and construction services	7,048	7,839	$ 470,871	$ [463,032]
Total Expenditures	7,048	7,839	$ 470,871	$ [463,032]
Receipts Over [Under] Expenditures	[7,037]	[7,838]		
Unencumbered Cash, Beginning	477,907	470,870		
Unencumbered Cash, Ending	$ 470,870	$ 463,032		

UNIFIED SCHOOL DISTRICT NO. 497
Capital Project Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Investment Income	$ 577	$ -
Total Receipts	577	-
Expenditures		
Instruction	313,684	-
Food service	10,865	-
Facility acquisition and construction services	237,555	-
Total Expenditures	562,104	-
Receipts Over [Under] Expenditures	[561,527]	-
Unencumbered Cash, Beginning	561,527	-
Unencumbered Cash, Ending	$ -	$ -

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
School Workers' Compensation Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 394,614	$ 525,976
Reimbursed expenses	62	1,125
Miscellaneous	7,993	618
Total Receipts	402,669	527,719
Expenditures		
Instruction	280,410	321,496
General administration	200,756	131,964
Total Expenditures	481,166	453,460
Receipts Over [Under] Expenditures	[78,497]	74,259
Unencumbered Cash, Beginning	1,094,701	1,016,204
Unencumbered Cash, Ending	$ 1,016,204	$ 1,090,463

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Health Care Services Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous	$ 2,574,666	$ 2,048,305
Investment income	31	-
Transfers in	10,700,010	11,179,862
Total Receipts	13,274,707	13,228,167
Expenditures		
Instruction	13,140,953	12,503,743
Total Expenditures	13,140,953	12,503,743
Receipts Over [Under] Expenditures	133,754	724,424
Unencumbered Cash, Beginning	355,771	489,525
Unencumbered Cash, Ending	$ 489,525	$ 1,213,949

* This fund is not required to be budgeted.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 497
Private and Other Purpose Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Memorial funds	$ 217,194	$ -	$ -	$ 1,450	$ 215,744	$ -	$ 215,744
Local donations fund	1,911,591	-	2,050,414	2,047,254	1,914,751	119,262	2,034,013
Total other private purpose trust funds	$ 2,128,785	$ -	$ 2,050,414	$ 2,048,704	$ 2,130,495	$ 119,262	$ 2,249,757

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Petty Cash Funds:				
Middle Schools				
Billy Mills Middle School	$ 1,200	$ 8,915	$ 8,885	$ 1,230
Liberty Memorial Central Middle School	1,200	10,675	10,675	1,200
Southwest Middle School	1,490	10,809	11,099	1,200
West Middle Scholl	1,200	5,410	5,410	1,200
Total Middle Schools	5,090	35,809	36,069	4,830
High Schools				
Free State High School	1,500	3,337	3,337	1,500
Lawrence High School	1,500	4,929	4,929	1,500
Total High Schools	3,000	8,266	8,266	3,000
Total Student Petty Cash Funds	8,090	44,075	44,335	7,830
Other Agency Funds:				
District petty cash	1,520	1,041	861	1,700
Sales Tax Fund	1,188	60,943	62,131	-
Payroll Clearing Fund	[2,538,098]	95,726,500	95,765,088	[2,576,686]
Total Other Agency Funds	[2,535,390]	95,788,484	95,828,080	[2,574,986]
Total Agency Funds	$ [2,527,300]	$ 95,832,559	$ 95,872,415	$ [2,567,156]

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Indian Education - Formula Grants to Local Education Agencies	84.060	$ [9,200]	$ 110,290	$ 105,863	$ [4,773]
Passed Through State Department of Education:					
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	[5,773]	2,787,957	2,797,715	[15,531]
Special Education - Preschool Grants	84.173	-	81,591	81,591	-
Total Special Education (IDEA) Cluster			2,869,548	2,879,306	
Title I Grants to Local Educational Agencies	84.010	[40,696]	1,854,123	1,856,366	[42,939]
Career and Technical Education	84.048	[32,496]	88,621	86,306	[30,181]
Special Education - Grants for Infants and Families	84.181	11,661	144,243	144,754	11,150
English Language Acquisition Grants	84.365	[22,545]	97,091	75,930	[1,384]
Improving Teacher Quality State Grants	84.367	[13,868]	204,476	224,905	[34,297]
Student Support and Academic Enrichment Program	84.424	[880]	60,601	103,906	[44,185]
Education Stabilization Fund Under CARES Act	84.425	[1,579,550]	6,524,387	8,306,492	[3,361,655]
Passed Through Kansas Board of Regents:					
Cooperative Agreements to Promote Adolescent Health	84.002	-	84,895	84,895	-
Total U.S. Department of Education			12,038,275	13,868,723	
U.S. Department of the Interior					
477 Cluster:					
Indian Education Assistance to Schools	15.130	31,848	-	29,212	2,636
Total U.S. Department of the Interior			-	29,212	
U.S. Department of Health and Human Services					
Passed Through State Department of Health & Environment:					
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	[72,234]	319,180	542,118	[295,172]
Passed Through Kansas Parents As Teachers Association (KPATA):					
Title IV-E Prevention Program	93.472	-	1,216	1,216	-
Total U.S. Department of Health and Human Services			320,396	543,334	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	460,997	460,997	-
National School Lunch Program	10.555	1,514,610	2,519,056	4,033,666	-
Summer Food Service Program for Children	10.559	-	242,812	242,812	-
Total Child Nutrition Cluster			3,222,865	4,737,475	
Child and Adult Care Food Program	10.558	-	46,579	46,579	-
Team Nutrition Grants	10.574	200	-	200	-
Child Nutrition Discretionary Grants Limited Availability	10.579	-	8,290	8,290	-
Total U.S. Department of Agriculture			3,277,734	4,792,544	
Total Expenditures of Federal Awards			$ 15,636,405	$ 19,233,813	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497

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

1. Organization

Unified School District No. 497, Lawrence, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the Kansas regulatory basis of accounting, which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position as of June 30, 2023.

5. Outstanding Loans

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

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
10.553, 10.555, 10.559	Child Nutrition Cluster

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

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 497, Lawrence, Kansas (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 4, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 4, 2023

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

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

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 497, Lawrence, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 4, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 4, 2023