UNIFIED SCHOOL DISTRICT NO. 286
Sedan, Kansas

Independent Auditors' Report and
Regulatory Basis Financial Statement
With Supplementary Information

For the Year Ended June 30, 2023

Unified School District No. 286
Sedan, Kansas
Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2023

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Unified School District No. 286
Sedan, Kansas
Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 286
Sedan, Kansas

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. 286, Sedan, Kansas, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the "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 opinion. 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.

Other Matters

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, and schedule of regulatory basis receipts and expenditures-agency funds, and summary schedule of regulatory basis receipts, expenditures, and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 286, Sedan, Kansas, as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated February 10, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year 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. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the 2022 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 15, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

Rodney M. Burns, CPA, LLC

Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
April 15, 2024

Unified School District No. 286
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General		$		4,230,008	4,230,008		9,699	9,699
Supplemental General		45,921		1,239,908	1,231,550	54,279	60,737	115,016
Special Purpose:								
At Risk K-12		331,496		822,796	850,000	304,292		304,292
Bilingual Education		2,524		1,847		4,371		4,371
Capital Outlay	(2)	1,385,591	92,693	818,237	115,862	2,180,659		2,180,659
Driver Training		22,464		5,122	299	27,287		27,287
Food Service		186,131		335,250	318,583	202,798	1,665	204,463
Professional Development		380			380			
Special Education		329,244		1,290,718	1,297,143	322,819	301	323,120
Career and Postsecondary Education		41,865		163,574	147,500	57,939		57,939
Gifts and Grants				60,825	60,363	462	250	712
KPERS Special Retirement Contribution				416,516	416,516			
Contingency Reserve		145,967		100,000		245,967		245,967
Textbook and Student Material Revolving		32,758		5,615	1,536	36,837		36,837
Recreation Commission		199		23,145	21,566	1,778		1,778
Elementary/Secondary School Emergency Relief		(161,450)		249,066	759,979	(672,363)		(672,363)
21st Century Community Learning Centers		(50,770)		126,250	108,533	(33,053)		(33,053)
Title I		314		152,834	153,148		8,025	8,025
Improving Teacher Quality				19,893	19,893			
KDHE COVID Testing Grant		(51)		19,848	22,727	(2,930)		(2,930)
Title IV-A				15,953	15,953			
Gate Receipts		1,605		76,108	73,634	4,079		4,079
Special Projects		15,465		6,814	6,173	16,106		16,106
Trusts:								
Local Donations				10,981	10,981			
Paul Crawford Donation				40,000	27,201	12,799	10,697	23,496
Appleby FCCLA Contribution		106,500			6,623	99,877		99,877
Appleby Pre-K Contribution		70,231			76	70,155		70,155
Total Primary Government	(1)	2,506,384	92,693	10,231,308	9,896,227	2,934,158	91,374	3,025,532

Composition of Cash:	
Certificates of Deposit	1,000,000
Demand Deposits	2,365,095
Petty Cash Advance	1,500
Less: Agency Funds	(341,061)
Adjustment for Rounding	(2)
Total Primary Government (1)	3,025,532

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

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

Note 1 Summary of Significant Accounting Policies

The financial statement and schedules of Unified School District #286, Sedan, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 286, and includes the primary government only, with no related municipal entities.

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 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 revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The Kansas Municipal Audit and Accounting Guide 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.

Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following Regulatory Basis Fund Types comprise the financial activities of the District for the year ending June 30, 2023:

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

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

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

Agency Funds -- funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. Under Kansas State Law, the State of Kansas will fund all employer pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for the year ending June 30, 2032.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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. During the year ended June 30, 2023, the District amended the following funds, in the amounts indicated:

Fund	Original Budget	Amended Budget
General Fund	$ 4,161,260	4,236,858
Bilingual Education Fund	3,879	4,371

Subsequent to the adoption of this amendment, the State of Kansas cut the budget of the General Fund to the legal maximum amount of $4,208,751. This legal maximum budget is computed based on audited full-time-equivalent enrollment.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Gifts and Grants Fund
Contingency Reserve Fund
Textbook and Student Material Revolving Fund
Elementary/Secondary School Emergency Relief Fund
21st Century Community Learning Centers Fund
Title I Fund
Improving Teacher Quality Fund
KDHE COVID Testing Grant Fund
Title IV-A Fund
Gate Receipts Fund
Special Projects Fund

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

Note 2 Deposits and Investments

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 and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had no investments at June 30, 2023 and held no investments throughout the year.

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 not designated any peak periods.

At June 30, 2023, the carrying amount of the District's deposits was $3,365,095 and the bank balance was $3,843,011. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining $3,343,011 was collateralized with securities held by the pledging financial institutions' agents in the School'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 Long-term Debt

Changes in Long-Term Debt

Changes in long-term debt for the year ending June 30, 2023 were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year
Early Retirement Program	2,154		2,154	-
Total Contractual Indebtedness	2,154	-	2,154	-

Note 4 Risk Management

Insurance Coverage

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 Interfund Transfers

From	To	Regulatory Authority	Amount
General Fund	At Risk K-12 Fund	K.S.A. 72-5167	$ 662,448
General Fund	Capital Outlay Fund	K.S.A. 72-5167	586,751
General Fund	Food Service Fund	K.S.A. 72-5167	2,779
General Fund	Special Education Fund	K.S.A. 72-5167	730,210
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	141,580
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	100,000
Supplemental General Fund	At Risk K-12 Fund	K.S.A. 72-5143	160,348
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-5143	1,847
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	498,413

Note 6 Other Long-Term Obligations from Operations

Compensated Absences

The school district's leave policy allows crediting each certified employee with 13 days leave per year - 14 per year after 15 years service - up to a maximum of 75 days. Classified year-round employees accrue 12 days leave per year, up to a maximum of 70 days. Classified nine-month employees accrue 9 days leave per year up to the maximum of 70 days. At retirement certified employees with 10 years or more of service are compensated for a maximum of 50 days of accumulated leave at the current substitute teacher pay rate. At retirement, classified employees with 10 years or more of service are compensated for a maximum of 30 days of accumulated leave at their current rate of pay. At the end of each contract year each employee is compensated for days in excess of their respective maximum, at the same rate they would receive if they had retired.

Early Retirement Incentive Plan

The school district's professional employee early retirement plan provides the following:

1. Employee will receive $546 per month towards a district sponsored health insurance plan, paid by the district through the month of their sixty fifth birthday if:

    a. Employee has reached the age of sixty-two and has 20 or more years of service
    b. Employee has reached the age of sixty and has 25 or more years of service

2. Employee will receive $546 per month towards a district sponsored health insurance plan, paid by the district for the first twelve months following their retirement school year if:

    a. Employee has not reached the age of sixty and has 25 or more years of service

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 (2611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $416,516 from the State of Kansas for the year ended June 30, 2023.

Net Pension Liability. At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $2,951,488 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 7 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The following funds had deficit unencumbered cash balances as of June 30, 2023, in the amounts indicated:

Elementary/Secondary School Emergency Relief Fund	$ 672,363
21st Century Community Learning Centers Fund	33,053
KDHE COVID Testing Grant Fund	2,930

In each of these funds, this deficit balance was caused by expenditures made in anticipation of federal funding reimbursements to be received in the 2023-24 fiscal year. This is not a violation of the Kansas Cash Basis Law.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 8 Subsequent Events

The District has evaluated subsequent events through April 15, 2024, the date which the financial statement was available to be issued.

SUPPLEMENTARY INFORMATION

Unified School District No. 286
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General	$ 4,236,858	(28,107)	21,257	4,230,008	4,230,008	
Supplemental General	1,231,550			1,231,550	1,231,550	
Special Purpose:						
At Risk K-12	850,000			850,000	850,000	
Bilingual Education	4,371			4,371		(4,371)
Capital Outlay	1,575,000			1,575,000	115,862	(1,459,138)
Driver Training	8,750			8,750	299	(8,451)
Food Service	402,500		70,547	473,047	318,583	(154,464)
Professional Development	380			380	380	
Special Education	1,556,139			1,556,139	1,297,143	(258,996)
Career and Postsecondary Education	147,500		21,994	169,494	147,500	(21,994)
KPERS Special Retirement Contribution	482,891			482,891	416,516	(66,375)
Recreation Commission	21,566			21,566	21,566	
Totals	10,517,505	(28,107)	113,798	10,603,196	8,629,407	(1,973,789)

Unified School District No. 286
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Reimbursements	$	21,257		21,257
Revenue from State Sources				
General State Aid	3,247,658	3,517,199	3,490,951	26,248
Mineral Production Tax	615	3,081	1,000	2,081
Special Education Aid	693,943	688,471	716,800	(28,329)
Total Revenue from State Sources	3,942,216	4,208,751	4,208,751	
Total Cash Receipts	3,942,216	4,230,008	4,208,751	21,257
Expenditures and Transfers				
Instruction				
Certified Salaries	1,167,061	439,434	1,200,000	(760,566)
Non-Certified Salaries	431	23,704	5,000	18,704
Group Insurance	226,503	247,764	260,000	(12,236)
Social Security	83,908	87,066	86,000	1,066
Other Employee Benefits	10,233	11,536	12,000	(464)
Supplies and Materials	35,903	41,314	47,193	(5,879)
Property (Equipment & Furnishings)	285	2,693	2,500	193
Total Instruction	1,524,324	853,511	1,612,693	(759,182)
Support Services - Students				
Certified Salaries	29,849	42,745	32,000	10,745
Non-Certified Salaries	56,250	53,909	58,000	(4,091)
Group Insurance	12,892	15,560	13,500	2,060
Social Security	7,745	7,085	8,000	(915)
Other Employee Benefits	1,186	677	1,500	(823)
Purchased Professional and Technical Services	990	4,792	1,500	3,292
Repairs and Maintenance	22,628	22,758		22,758
Other Purchased Services			23,000	(23,000)
Supplies and Materials	1,703	4,517	2,000	2,517
Property (Equipment & Furnishings)		3,855		3,855
Other	62,054	74,677	65,000	9,677
Total Support Services - Students	195,297	230,575	204,500	26,075
Support Services - Instr. Staff				
Non-Certified Salaries	7,153	8,765	8,500	265
Social Security	11,553	12,337	12,500	(163)
Other Employee Benefits	863	1,690	1,000	690
Books and Periodicals	371	6	500	(494)
Technology Supplies		1,524		1,524
Total Support Services - Instr. Staff	19,940	24,322	22,500	1,822
General Administration				
Certified Salaries	99,100	102,537	100,000	2,537
Group Insurance	7,717	7,734	8,000	(266)
Social Security	7,021	7,212	8,000	(788)
Other Employee Benefits	447	742	750	(8)
Purchased Property Services	625	826	1,000	(174)
Communication Services	11,025	9,128	12,000	(2,872)
Other Miscellaneous Purchased Services	800	7	1,000	(993)
Supplies and Materials	16,732	17,880	17,000	880
Other	16,452	18,585	17,500	1,085
Total General Administration	159,919	164,651	165,250	(599)

Unified School District No. 286
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
School Administration				
Certified Salaries	$ 93,900	148,800	95,000	53,800
Non-Certified Salaries	51,014	56,425	53,000	3,425
Group Insurance	20,386	28,467	22,000	6,467
Social Security	10,608	14,764	12,000	2,764
Other Employee Benefits	1,288	1,703	1,500	203
Purchased Property Services		75		75
Other Miscellaneous Purchased Services	990	931	1,500	(569)
Supplies and Materials	250	165	1,000	(835)
Other	95	5,022	1,000	4,022
Total School Administration	178,531	256,352	187,000	69,352
Operations and Maintenance				
Non-Certified Salaries	155,732	131,783	158,000	(26,217)
Group Insurance	29,997	36,156	31,000	5,156
Social Security	11,526	12,092	12,500	(408)
Other Employee Benefits	756	1,453	1,000	453
Purchased Professional and Technical Services	1,650	1,840	2,500	(660)
Repairs and Maintenance		193		193
Other Purchased Property Services	1,176	1,429	2,500	(1,071)
Supplies and Materials	36,034	30,226	37,000	(6,774)
Other	4,368	4,004	5,000	(996)
Other	1,134	18,600	2,000	16,600
Total Operations and Maintenance	242,373	237,776	251,500	(13,724)
Vehicle Operation Services				
Non-Certified Salaries	117,021	115,114	119,000	(3,886)
Social Security	8,084	8,025	9,000	(975)
Other Employee Benefits	271	418	500	(82)
Equipment	7,353	8,526	7,500	1,026
Other	11,207	6,329	12,000	(5,671)
Total Vehicle Operation Services	143,936	138,412	148,000	(9,588)
Vehicle Servicing/Maintenance				
Group Insurance	11,649	13,328	12,500	828
Social Security	58	59	500	(441)
Other Employee Benefits	1,120	1,269	1,500	(231)
Purchased Professional and Technical Services	1,097	684	2,000	(1,316)
Supplies and Materials	14,601	14,135	15,000	(865)
Total Vehicle Servicing/Maintenance	28,525	29,475	31,500	(2,025)
Other Student Transportation Services				
Non-Certified Salaries	8,491	8,797	8,500	297
Social Security	626	653	1,000	(347)
Other Employee Benefits	39	72	500	(428)
Total Other Student Transportation Services	9,156	9,522	10,000	(478)
Support Services - Other				
Non-Certified Salaries	49,069	51,245	50,000	1,245
Group Insurance	6,649	6,666	7,000	(334)
Social Security	3,237	3,390	6,500	(3,110)
Other Employee Benefits	197	343	500	(157)
Total Support Services - Other	59,152	61,644	64,000	(2,356)

Unified School District No. 286
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Fund Transfers				
At Risk K-12	$ 568,014	662,448	662,448	
Capital Outlay	22,525	586,751		586,751
Food Service		2,779		2,779
Special Education	693,943	730,210	788,392	(58,182)
Career and Postsecondary Education	96,581	141,580	89,075	52,505
Contingency Reserve		100,000		100,000
Total Fund Transfers	1,381,063	2,223,768	1,539,915	683,853
Budget Adjustments				
Legal Max Adjustment			(28,107)	28,107
Budget Credit Adjustment			21,257	(21,257)
Total Expenditures and Transfers	3,942,216	4,230,008	4,230,008	
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending				

Unified School District No. 286
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 370,343	437,168	395,188	41,980
Delinquent Taxes	14,663	15,210	4,035	11,175
Total Revenue from Local Sources	385,006	452,378	399,223	53,155
Revenue from County Sources				
Motor Vehicle Tax	49,326	51,776	51,148	628
Recreational Vehicle Tax	1,226	1,127	810	317
Commercial Vehicle Tax	1,058	992	814	178
Total Revenue from County Sources	51,610	53,895	52,772	1,123
Revenue from State Sources				
Supplemental State Aid	690,164	733,635	733,634	1
Total Cash Receipts	1,126,780	1,239,908	1,185,629	54,279
Expenditures and Transfers				
Instruction				
Certified Salaries	1,648	637	5,000	(4,363)
Group Insurance	169	59	1,000	(941)
Supplies and Materials	38,343	93,793	25,961	67,832
Technology Supplies	33,337	7,009	35,000	(27,991)
Property (Equipment & Furnishings)	8,448		10,000	(10,000)
Other		3,666		3,666
Total Instruction	81,945	105,164	76,961	28,203
Support Services - Instr. Staff				
Purchased Professional and Technical Services	20,771	9,553	25,000	(15,447)
Property (Equipment & Furnishings)	40,179	50,179	45,000	5,179
Total Support Services - Instr. Staff	60,950	59,732	70,000	(10,268)
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	30,168	31,527	35,000	(3,473)
Repairs and Maintenance	83,669	63,098	85,000	(21,902)
Insurance	211,199	137,206	225,000	(87,794)
Heating	25,293	37,269	30,000	7,269
Electricity	81,106	90,958	85,000	5,958
Total Operations and Maintenance	431,435	360,058	460,000	(99,942)
Vehicle Operation Services				
Motor Fuel	48,532	44,530	50,000	(5,470)
Vehicle Servicing/Maintenance				
Purchased Professional and Technical Services	3,921	1,458	5,000	(3,542)
Fund Transfers				
Bilingual Education	1,296	1,847	1,847	
At Risk K-12	138,579	160,348	159,239	1,109
Special Education	411,499	498,413	408,503	89,910
Total Fund Transfers	551,374	660,608	569,589	91,019
Total Expenditures and Transfers	1,178,157	1,231,550	1,231,550	
Receipts Over (Under) Expenditures and Transfers	(51,377)	8,358		
Unencumbered Cash, Beginning	97,298	45,921		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	45,921	54,279		

Unified School District No. 286
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 Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 568,014	662,448	662,448	
Transfer from Supplemental General Fund	138,579	160,348	159,239	1,109
Total Cash Receipts	706,593	822,796	821,687	1,109
Expenditures and Transfers				
Instruction				
Certified Salaries	352,761	723,653	500,000	223,653
Non-Certified Salaries	86,223	74,844	125,000	(50,156)
Social Security	38,674	31,849	75,000	(43,151)
Other Employee Benefits	29,549	19,654	50,000	(30,346)
Purchased Professional and Technical Services			100,000	(100,000)
Total Expenditures and Transfers	507,207	850,000	850,000	
Receipts Over (Under) Expenditures and Transfers	199,386	(27,204)		
Unencumbered Cash, Beginning	132,110	331,496		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	331,496	304,292		

Unified School District No. 286
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	$ 1,296	1,847	1,847	
Total Cash Receipts	1,296	1,847	1,847	
Expenditures and Transfers				
Instruction				
Certified Salaries			3,000	(3,000)
Social Security			750	(750)
Other Employee Benefits			129	(129)
Supplies and Materials			492	(492)
Total Expenditures and Transfers			4,371	(4,371)
Receipts Over (Under) Expenditures and Transfers	1,296	1,847		
Unencumbered Cash, Beginning	1,228	2,524		
Unencumbered Cash, Ending	2,524	4,371		

Unified School District No. 286
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 106,283	120,525	113,191	7,334
Delinquent Taxes	2,448	3,031	1,189	1,842
Interest on Investments	6,664	8,912	6,500	2,412
Other Revenue From Local Sources	16,138	18,398	15,000	3,398
Total Revenue from Local Sources	131,533	150,866	135,880	14,986
Revenue from County Sources				
Motor Vehicle Tax	4,947	7,340	7,423	(83)
Recreational Vehicle Tax	108	200	118	82
Commercial Vehicle Tax	89	272	118	154
Total Revenue from County Sources	5,144	7,812	7,659	153
Revenue from State Sources				
General State Aid	61,668	72,807	72,807	
Operating Transfers				
Transfer from General Fund	22,525	586,752		586,752
Total Cash Receipts	220,870	818,237	216,346	601,891
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)			385,000	(385,000)
Support Services - Students				
Property (Equipment & Furnishings)			30,000	(30,000)
Support Services - Instr. Staff				
Property (Equipment & Furnishings)			30,000	(30,000)
General Administration				
Property (Equipment & Furnishings)			30,000	(30,000)
Operations and Maintenance				
Property (Equipment & Furnishings)			100,000	(100,000)
Student Transportation				
Property (Equipment & Furnishings)	81,769	3,500	150,000	(146,500)
Facilities Acquisition/Construction				
Site Acquisition	5,575	857	200,000	(199,143)
Site Improvement			200,000	(200,000)
Building Repair and Remodeling		111,505	300,000	(188,495)
Total Facilities Acquisition/Construction	5,575	112,362	700,000	(587,638)
Architectural and Engineering Services				
Architecture and Engineering Services	141,480		150,000	(150,000)
Total Expenditures and Transfers	228,824	115,862	1,575,000	(1,459,138)
Receipts Over (Under) Expenditures and Transfers	(7,954)	702,375		
Unencumbered Cash, Beginning	1,393,545	1,385,591		
Prior Year Encumbrances Cancelled		92,693		
Unencumbered Cash, Ending	1,385,591	2,180,659		

Unified School District No. 286
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Student Fees	$	1,342	1,400	(58)
Revenue from State Sources				
General State Aid	2,968	3,780	3,645	135
Total Cash Receipts	2,968	5,122	5,045	77
Expenditures and Transfers				
Instruction				
Certified Salaries	4,663		6,500	(6,500)
Social Security	339		750	(750)
Other Employee Benefits	25		500	(500)
Total Instruction	5,027		7,750	(7,750)
Vehicle Operation Services				
Motor Fuel		299	1,000	(701)
Total Expenditures and Transfers	5,027	299	8,750	(8,451)
Receipts Over (Under) Expenditures and Transfers	(2,059)	4,823		
Unencumbered Cash, Beginning	24,523	22,464		
Unencumbered Cash, Ending	22,464	27,287		

Unified School District No. 286
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Student Sales	$	39,053	50,515	(11,462)
Adults and Non-Reimbursable Programs	3,265	7,673	6,498	1,175
Other Revenue From Local Sources		20	10,000	(9,980)
Total Revenue from Local Sources	3,265	46,746	67,013	(20,267)
Revenue from State Sources				
General State Aid	2,106	2,315	1,960	355
Revenue from Federal Sources				
Federal Financial Assistance	332,268	250,205	202,863	47,342
Other Federal Financial Assistance	21,804	33,205	10,000	23,205
Total Revenue from Federal Sources	354,072	283,410	212,863	70,547
Operating Transfers				
Transfer from Supplemental General Fund		2,779		2,779
Total Cash Receipts	359,443	335,250	281,836	53,414
Expenditures and Transfers				
Operations and Maintenance				
Non-Certified Salaries	6,239	11,517	10,000	1,517
Other Purchased Services			1,500	(1,500)
Other Miscellaneous Purchased Services	816	208		208
Supplies and Materials		259		259
Property (Equipment & Furnishings)	11,151		15,000	(15,000)
Other	3,035	44	5,000	(4,956)
Total Operations and Maintenance	21,241	12,028	31,500	(19,472)
Food Service Operations				
Non-Certified Salaries	65,768	77,327	75,000	2,327
Group Insurance	13,305	18,085	15,000	3,085
Social Security	3,104	4,005	5,000	(995)
Other Employee Benefits	322	579	1,000	(421)
Other Miscellaneous Purchased Services	2,094	9,045	5,000	4,045
Supplies and Materials	9,584	12,301		12,301
Food and Milk	151,748	178,297	230,000	(51,703)
Miscellaneous Supplies			15,000	(15,000)
Property (Equipment & Furnishings)		5,812		5,812
Other	1,351	1,104	25,000	(23,896)
Total Food Service Operations	247,276	306,555	371,000	(64,445)
Budget Credit Adjustment			70,547	(70,547)
Total Expenditures and Transfers	268,517	318,583	473,047	(154,464)
Receipts Over (Under) Expenditures and Transfers	90,926	16,667		
Unencumbered Cash, Beginning	95,205	186,131		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	186,131	202,798		

Unified School District No. 286
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
None	$			
Expenditures and Transfers				
Support Services - Instr. Staff				
Purchased Professional and Technical Services		380	380	
Total Expenditures and Transfers		380	380	
Receipts Over (Under) Expenditures and Transfers		(380)		
Unencumbered Cash, Beginning	380	380		
Unencumbered Cash, Ending	380			

Unified School District No. 286
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	$ 7,458			
Revenue from Federal Sources				
Medicaid Title XIX	30,806	62,095	30,000	32,095
Operating Transfers				
Transfer from General Fund	693,943	730,210	788,392	(58,182)
Transfer from Supplemental General Fund	411,499	498,413	408,503	89,910
Total Operating Transfers	1,105,442	1,228,623	1,196,895	31,728
Total Cash Receipts	1,143,706	1,290,718	1,226,895	63,823
Expenditures and Transfers				
Instruction				
Non-Certified Salaries	8,663	5,280	15,000	(9,720)
Other Employee Benefits	931	54	1,500	(1,446)
LEA Payments to COOP's/Interlocals	612,309	591,633	802,053	(210,420)
LEA State Aid Flowthrough Payments to COOP's/Interlocals	666,026	657,057	700,000	(42,943)
Other Miscellaneous Purchased Services		28,812		28,812
Supplies and Materials		3,696	11,086	(7,390)
Property (Equipment & Furnishings)			5,000	(5,000)
Total Instruction	1,287,929	1,286,532	1,534,639	(248,107)
Operations and Maintenance				
Repairs and Maintenance	1,594	1,000	5,000	(4,000)
Vehicle Operation Services				
Non-Certified Salaries	4,776	4,779	7,500	(2,721)
Social Security	341	341	1,000	(659)
Other Employee Benefits	27	37	500	(463)
Insurance	944	944	1,000	(56)
Supplies and Materials	960	510		510
Motor Fuel	2,838	3,000	5,000	(2,000)
Other			1,500	(1,500)
Total Vehicle Operation Services	9,886	9,611	16,500	(6,889)
Total Expenditures and Transfers	1,299,409	1,297,143	1,556,139	(258,996)
Receipts Over (Under) Expenditures and Transfers	(155,703)	(6,425)		
Unencumbered Cash, Beginning	484,947	329,244		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	329,244	322,819		

Unified School District No. 286
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 Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Miscellaneous	$		5,000	(5,000)
Revenue from State Sources				
User Charges and Fines			11,560	(11,560)
Revenue from Federal Sources				
Federal Financial Assistance		21,994		21,994
Operating Transfers				
Transfer from General Fund	96,581	141,580	89,075	52,505
Total Cash Receipts	96,581	163,574	105,635	57,939
Expenditures and Transfers				
Instruction				
Certified Salaries	109,396	119,635	115,000	4,635
Social Security	7,699	12,763	8,000	4,763
Other Employee Benefits	492	1,192	1,000	192
Other Purchased Services	1,772			
Tuition	766	4,555	1,000	3,555
Other Miscellaneous Purchased Services			2,500	(2,500)
Supplies and Materials	9,152	8,956	15,000	(6,044)
Property (Equipment & Furnishings)	1,723	399	5,000	(4,601)
Total Instruction	131,000	147,500	147,500	
Budget Credit Adjustment			21,994	(21,994)
Total Expenditures and Transfers	131,000	147,500	169,494	(21,994)
Receipts Over (Under) Expenditures and Transfers	(34,419)	16,074		
Unencumbered Cash, Beginning	76,284	41,865		
Unencumbered Cash, Ending	41,865	57,939		

Unified School District No. 286
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	$ 6,090	386
Revenue from State Sources		
Kansas Safe and Secure Schools		6,865
Mental Health Intervention Grant	62,440	53,574
Total Revenue from State Sources	62,440	60,439
Total Cash Receipts	68,530	60,825
Expenditures and Transfers		
Instruction		
Certified Salaries		6,514
Non-Certified Salaries	38,812	35,390
Group Insurance	4,057	
Social Security	3,961	2,903
General Teaching Supplies	6,090	351
Other	15,610	14,493
Return of Unexpended Grant Funds		712
Total Expenditures and Transfers	68,530	60,363
Receipts Over (Under) Expenditures and Transfers		462
Unencumbered Cash, Beginning		
Prior Year Encumbrances Cancelled		
Unencumbered Cash, Ending		462

Unified School District No. 286
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 Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 431,153	416,516	482,891	(66,375)
Total Cash Receipts	431,153	416,516	482,891	(66,375)
Expenditures and Transfers				
Instruction				
Employee Benefits	310,605	301,229	347,876	(46,647)
Support Services - Students				
Employee Benefits	13,464	15,173	15,080	93
Support Services - Instr. Staff				
Employee Benefits	1,066	563	1,194	(631)
General Administration				
Employee Benefits	15,696	14,782	17,580	(2,798)
School Administration				
Employee Benefits	26,643	26,448	29,840	(3,392)
Support Services - Business				
Employee Benefits	7,547	7,256	8,453	(1,197)
Operations and Maintenance				
Employee Benefits	26,458	24,761	29,633	(4,872)
Student Transportation				
Employee Benefits	19,676	17,773	22,037	(4,264)
Food Service Operations				
Employee Benefits	9,998	8,531	11,198	(2,667)
Total Expenditures and Transfers	431,153	416,516	482,891	(66,375)
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 286
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Operating Transfers			
Transfer from General Fund	$		100,000
Total Cash Receipts			100,000
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			100,000
Unencumbered Cash, Beginning		145,967	145,967
Unencumbered Cash, Ending		145,967	245,967

Unified School District No. 286
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Local Sources			
Student Fees	$	5,460	5,615
Total Cash Receipts		5,460	5,615
Expenditures and Transfers			
Instruction			
Property (Equipment & Furnishings)		801	1,536
Total Expenditures and Transfers		801	1,536
Receipts Over (Under) Expenditures and Transfers		4,659	4,079
Unencumbered Cash, Beginning		28,099	32,758
Unencumbered Cash, Ending		32,758	36,837

Unified School District No. 286
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 19,637	19,903	18,691	1,212
Delinquent Taxes	649	731	215	516
Total Revenue from Local Sources	20,286	20,634	18,906	1,728
Revenue from County Sources				
Motor Vehicle Tax	922	2,405	2,385	20
Recreational Vehicle Tax	29	54	38	16
Commercial Vehicle Tax	46	52	38	14
Total Revenue from County Sources	997	2,511	2,461	50
Total Cash Receipts	21,283	23,145	21,367	1,778
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	24,524	21,566	21,566	
Total Expenditures and Transfers	24,524	21,566	21,566	
Receipts Over (Under) Expenditures and Transfers	(3,241)	1,579		
Unencumbered Cash, Beginning	3,440	199		
Unencumbered Cash, Ending	199	1,778		

Unified School District No. 286
Elementary/Secondary School Emergency Relief Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 184,977	249,066
Total Cash Receipts	184,977	249,066
Expenditures and Transfers		
Instruction		
Certified Salaries	197,008	583,837
Non-Certified Salaries	14,199	14,639
Social Security	1,051	6,049
Purchased Professional and Technical Services		3,208
Supplies and Materials		81,275
General Teaching Supplies	20,461	16,178
Technology Supplies	111,708	54,793
Total Instruction	344,427	759,979
Operations and Maintenance		
General Teaching Supplies	2,000	
Total Expenditures and Transfers	346,427	759,979
Receipts Over (Under) Expenditures and Transfers	(161,450)	(510,913)
Unencumbered Cash, Beginning		(161,450)
Unencumbered Cash, Ending	(161,450)	(672,363)

Unified School District No. 286
21st Century Community Learning Centers Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 130,181	126,250
Total Cash Receipts	130,181	126,250
Expenditures and Transfers		
Instruction		
Certified Salaries	25,052	29,251
Non-Certified Salaries	42,948	41,819
Social Security	8,107	13
Other Employee Benefits	993	2,836
Purchased Professional and Technical Services	5,516	9,603
Other Purchased Services	2,239	
General Teaching Supplies	2,203	174
Return of Unexpended Grant Funds	26,678	3,378
Total Instruction	113,736	87,074
Support Services - Instr. Staff		
Purchased Professional and Technical Services	2,051	364
General Teaching Supplies	1,934	1,715
Total Support Services - Instr. Staff	3,985	2,079
Vehicle Operation Services		
Non-Certified Salaries	4,504	14,255
Other Employee Benefits	345	405
Motor Fuel	3,865	4,004
Other	1	716
Total Vehicle Operation Services	8,715	19,380
Total Expenditures and Transfers	126,436	108,533
Receipts Over (Under) Expenditures and Transfers	3,745	17,717
Unencumbered Cash, Beginning	(54,515)	(50,770)
Unencumbered Cash, Ending	(50,770)	(33,053)

Unified School District No. 286
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 119,833	152,834
Total Cash Receipts	119,833	152,834
Expenditures and Transfers		
Instruction		
Certified Salaries	111,802	144,976
Employee Benefits	7,359	
Social Security		7,858
Supplies and Materials	358	
Return of Unexpended Grant Funds		314
Total Expenditures and Transfers	119,519	153,148
Receipts Over (Under) Expenditures and Transfers	314	(314)
Unencumbered Cash, Beginning		314
Prior Year Encumbrances Cancelled		
Unencumbered Cash, Ending	314	

Unified School District No. 286
Improving Teacher Quality Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	15,100	19,893
Total Cash Receipts		15,100	19,893
Expenditures and Transfers			
Instruction			
Social Security		1,041	
Purchased Professional and Technical Services		4,463	12,040
Supplies and Materials			351
Other		4,787	
Total Instruction		10,291	12,391
Support Services - Instr. Staff			
Purchased Professional and Technical Services		4,809	7,502
Total Expenditures and Transfers		15,100	19,893
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 286
KDHE COVID Testing Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 15,531	19,848
Total Cash Receipts	15,531	19,848
Expenditures and Transfers		
Support Services - Students		
Certified Salaries	12,389	16,083
Social Security	1,023	6,149
General Teaching Supplies	2,170	495
Total Expenditures and Transfers	15,582	22,727
Receipts Over (Under) Expenditures and Transfers	(51)	(2,879)
Unencumbered Cash, Beginning		(51)
Unencumbered Cash, Ending	(51)	(2,930)

Unified School District No. 286
Title IV-A Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	15,717	15,953
Total Cash Receipts		15,717	15,953
Expenditures and Transfers			
Instruction			
General Teaching Supplies		15,717	15,953
Total Expenditures and Transfers		15,717	15,953
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 286
Local Donations Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Local Sources			
Donations	$		10,981
Total Cash Receipts			10,981
Expenditures and Transfers			
Support Services - Students			
Other			10,981
Total Expenditures and Transfers			10,981
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 286
Paul Crawford Donation Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	$	40,000
Total Cash Receipts		40,000
Expenditures and Transfers		
Instruction		
General Teaching Supplies		27,201
Total Expenditures and Transfers		27,201
Receipts Over (Under) Expenditures and Transfers		12,799
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		12,799

Unified School District No. 286
Appleby FCCLA Contribution Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	$ 106,500	
Total Cash Receipts	106,500	
Expenditures and Transfers		
Instruction		
Supplies and Materials		6,623
Total Expenditures and Transfers		6,623
Receipts Over (Under) Expenditures and Transfers	106,500	(6,623)
Unencumbered Cash, Beginning		106,500
Unencumbered Cash, Ending	106,500	99,877

Unified School District No. 286
Appleby Pre-K Contribution Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	$ 71,000	
Total Cash Receipts	71,000	
Expenditures and Transfers		
Instruction		
General Teaching Supplies	769	76
Total Expenditures and Transfers	769	76
Receipts Over (Under) Expenditures and Transfers	70,231	(76)
Unencumbered Cash, Beginning		70,231
Unencumbered Cash, Ending	70,231	70,155

Unified School District No. 286
Sedan, Kansas
Agency Funds
Schedule of Receipts and Cash Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School:				
Alpha Beta Gamma	319	-	76	243
Band	2,514	13,854	7,665	8,703
Baseball	248	3,461	2,839	870
Class of '20	503	-	503	-
Class of '21	592	-	259	333
Class of '22	8,651	-	7,781	870
Class of '23	2,552	19,875	11,336	11,091
Class of '24	2,047	5,745	4,509	3,283
Class of '25	712	1,838	-	2,550
Class of '26	10	110	-	120
FCCLA	9,987	5,728	6,731	8,984
FFA	10,737	68,420	65,074	14,083
Football Special	684	1,019	1,073	630
Investment Interest	346	44	-	390
JH Cheerleaders	4,101	4,474	5,004	3,571
JH Stucco	462	150	165	447
Lemert Ranch Tr	17,014	14,698	11,050	20,662
Lettermen	732	-	236	496
National Honor Society	288	-	193	95
Peer Tutors	41	-	-	41
Program	4,492	4,457	5,956	2,993
SH Cheerleaders	7,657	6,681	5,956	8,382
SH Stucco	502	1,941	1,803	640
SFB Special	398	614	218	794
Track	3,726	1,380	2,082	3,024
Vocal	1,786	75	635	1,226
Volleyball	1,364	1,795	1,207	1,952
Elementary:				
Elem Stucco	1,533	2,292	1,760	2,065
PTO	-	2,712	994	1,718
Scholastic Donations	64	-	-	64
Total Student Organizations	84,062	161,363	145,105	100,320
Other Agency Funds:				
Sales Tax	-			-
Payroll Clearing	298,079	1,528,502	1,585,840	240,741
Retiree Health Insurance Clearing	-	2,789	2,789	-
Total Other Agency Funds:	298,079	1,531,291	1,588,629	240,741
Total Agency Funds	382,141	1,692,654	1,733,734	341,061

Unified School District No. 286
Sedan, Kansas
Agency Funds
Schedule of Receipts and Cash Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
High School:						
Athletics	$ 1,037	55,234	54,454	1,817		1,817
Concessions	568	20,874	19,180	2,262		2,262
Subtotal Gate Receipts	1,605	76,108	73,634	4,079	-	4,079
Special Projects:						
Middle School:						
Library	543	3,053	2,567	1,029		1,029
High School:						
Yearbook	14,922	3,761	3,606	15,077		15,077
Subtotal Special Projects	15,465	6,814	6,173	16,106	-	16,106
Total District Activity Funds	17,070	82,922	79,807	20,185	-	20,185

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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. 286
Sedan, 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. 286, Sedan, Kansas, (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated April 15, 2024, which was qualified because the District prepares its financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, 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 control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's 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 charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

This 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
April 15, 2024

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

Board of Education
Unified School District No. 286
Sedan, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 286, Sedan, Kansas, (the District) with the types of compliance requirements described in the U.S. *Office of Management and Budget (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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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 requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and other provisions of contracts or grant 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 on 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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.

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

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

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

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
April 15, 2024

Unified School District No. 286
Sedan, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

I. Summary of Independent Auditors' Results

Financial Statement:
The independent auditors' report expresses an adverse opinion on the financial statement of Unified School District No. 286 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an unmodified opinion on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported
Non compliance or other matters required to be reported under *Government Auditing Standards?*	_____	Yes	X	No

Federal Awards:
Internal control over major programs:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported

The independent auditors' report on compliance for the major federal award programs for Unified School District No. 286 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	X	No

Identification of major programs:

U.S. Department of Education
Elementary Stabilization Fund - Elementary and Secondary School Emergency Relief Fund — CFDA #84.425

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

Auditee qualified as a low risk auditee?	_____	Yes	X	No

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

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Unified School District No. 286
Sedan, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures	Provided to Subrecipients
U.S. Department of Agriculture					
Passed through State Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	D0286	10.553 $	64,546	64,546	0
National School Lunch Program	D0286	10.555	160,243	160,243	0
National School Lunch Program - COVID 19	D0286	10.555	24,504	24,504	0
Summer Food Service Program for Children	D0286	10.559	25,415	25,415	0
Fresh Fruits and Vegetables Program	D0286	10.582	8,701	8,701	0
	Total Child Nutrition Cluster		283,409	283,409	0
Total U.S. Department of Agriculture			283,409	283,409	0
U.S. Department of Education					
Passed through Kansas Department of Education					
Title I Grant to Local Educational Agencies	D0286	84.010	152,834	152,834	0
Career and Technical Education - Basic Grants to States	D0286	84.048	21,994	21,994	0
21st Century Community Learning Centers	D0286	84.287	126,250	105,155	0
Improving Teacher Quality State Grants	D0286	84.367	19,893	19,893	0
Student Support and Academic Enrichment Program	D0286	84.424	15,953	15,953	0
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER) - COVID-19	D0286	84.425D	198,180	87,616	0 (1)
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)- COVID-19	D0286	84.425U	50,886	672,363	0 (1)
Passed through Southeast Kansas Education Service Center					
Career and Technical Education - Basic Grants to States		84.048	1,245	2,456	0
Total U.S. Department of Education			587,235	1,078,264	0
U.S. Department of Health and Human Services					
Passed through Kansas Department of Education					
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	D0286	93.079	150	150	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - COVID-19	D0286	93.323	19,848	22,727	0
Total U.S. Department of Health and Human Services			19,998	22,877	0
Total Federal Awards			890,642	1,384,550	0

(1) This program was considered to be a major program

Note to the Schedule of Expenditures of Federal Awards:

Note A: General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal financial assistance programs of Unified School District No. 286, Sedan, Kansas (the District). The reporting entity is defined in Note 1 of the District's basic financial statement. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies are included on the Schedule.

Note B: Indirect Cost Rate

The District did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance

Note C: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is presented using the regulatory basis of accounting, which is described in Note 1 of the District's basic financial statement. This is the same basis of accounting used in the District's regulatory basis financial statement. The information in the Schedule is presented 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.