SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 321

FINANCIAL STATEMENT WITH
SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2023

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SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Education
Unified School District No. 321
St. Marys, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 321, St. Marys, 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 financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 321, 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 Unified School District No. 321, 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 2.

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 2 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 2 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 2; 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, 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 (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, summary of regulatory basis receipts and disbursements – agency funds, and schedule of 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 accompanying supplementary information, is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 2.

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. 321, as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated March 27, 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 website of the Kansas Department of Administration at the following link http://www.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 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. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 2.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Tile 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information financial statement itself, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 March 21, 2024, on our consideration of Unified School District No. 321's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 321'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 Unified School District No. 321's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
March 21, 2024

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ 5,922	$ 9,349,583	$ 9,355,505	$ -	$ 43,154	$ 43,154
Supplemental General	318,029	1,538	3,197,794	3,153,315	364,046	77,475	441,521
Special Purpose Funds:							
Capital Outlay	357,151	1,181	3,639,312	3,614,045	383,599	226,766	610,365
Driver Training	35,513	-	22,098	8,392	49,219	-	49,219
Food Service	300,360	-	1,050,299	1,105,471	245,188	-	245,188
Professional Development	2,311	-	1,559	-	3,870	-	3,870
Parent Education	810	-	48,163	48,154	819	-	819
Special Education	836	-	3,020,780	2,998,617	22,999	-	22,999
Career and Post Secondary Education	43,888	3,691	450,570	497,406	743	59,013	59,756
At Risk (4 Year Old)	-	-	11,000	11,000	-	-	-
At Risk (K-12)	129,560	-	1,043,190	1,097,031	75,719	-	75,719
KPERS Special Retirement Contribution	-	-	1,344,460	1,344,460	-	-	-
Contingency Reserve	74,723	-	199,874	-	274,597	-	274,597
Textbook and Student Material	3,413	-	43,525	42,172	4,766	17,702	22,468
Title I	562	-	190,372	190,793	141	-	141
Title II-A	372	-	46,500	46,740	132	18,083	18,215
Title IV-A Student Services	-	-	18,493	18,493	-	-	-
Title VI-B Discretionary	-	3,636	12,978	12,738	3,876	-	3,876
Title VI-B Pass Thru	977	-	244,200	244,135	1,042	1,154	2,196
Title VI-B Preschool	3,123	-	10,746	10,000	3,869	-	3,869

UNIFIED SCHOOL DISTRICT NO. 321

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2023

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance
ESSER CARES Funds	$ -	$ -	$ 305,000	$ 304,592	$ 408	$ 78,291	$ 78,699
COVID Testing Grant	4	-	85,211	84,308	907	13,608	14,515
Emergency Connectivity	-	-	102,125	102,125	-	-	-
KPP Grant	-	-	133,535	133,246	289	187	476
Gifts and Grants	1,776	1,628	26,259	27,093	2,570	-	2,570
Safe Schools	-	-	19,040	19,040	-	-	-
District Activity Funds	129,720	-	531,958	532,387	129,291	-	129,291
Capital Project Fund:							
Construction	102	-	-	-	102	-	102
Bond and Interest Fund:							
Bond and Interest	96	-	-	-	96	-	96
Trust Fund:							
Scholarship	3,015	-	-	150	2,865	-	2,865
Total Reporting Entity (Excluding Agency Funds)	$ 1,406,341	$ 17,596	$ 25,148,624	$ 25,001,408	$ 1,571,153	$ 535,433	$ 2,106,586
Composition of Cash:							
Checking and Savings Accounts							$ 2,250,156
Agency Funds per Schedule 3							(143,570)
Total Reporting Entity (Excluding Agency Funds)							$ 2,106,586

1. REPORTING ENTITY

Unified School District No. 321 (the District) is a municipal corporation governed by a citizen-elected seven-member Board of Education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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

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

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

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

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

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

3. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper 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 a 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 rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District held a revenue neutral rate hearing for the year.

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.

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 revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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, trust funds and the following special purpose funds:

Contingency Reserve Fund	Title IV-A Student Services Fund	KPP Grant Fund
Textbook and Student	Title VI-B Discretionary Fund	COVID Testing Grant Fund
Material Revolving Fund	Title VI-B Pass Thru Fund	District Activity Funds
Title I Fund	Title VI-B Preschool Fund	Gifts and Grants Fund
Title II-A Fund	ESSER CARES Fund	Emergency Connectivity Fund
Safe Schools Fund		

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

4. 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, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposits 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 District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at June 30, 2023.

Deposits. At June 30, 2023, the District's carrying amount of deposits was $2,250,156 and the bank balance was $3,439,454. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining $3,189,454 was collateralized with securities held by the pledging financial institutions agents in the District's name.

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Parent Education Fund	K.S.A. 72-5167	$ 17,000
General Fund	Special Education Fund	K.S.A. 72-5167	2,216,274
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	194,347
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	781,175
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	199,874
General Fund	Special Reserve Fund	K.S.A. 72-5167	441,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	697,499
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	235,000
Supplemental General Fund	At Risk (4 Yr Old) Fund	K.S.A. 72-5143	11,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	262,015
Supplemental General Fund	Special Reserve Fund	K.S.A. 72-5143	15,000

6. DEFINED BENEFIT PENSION PLAN

General Information about the 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that 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 rate (not including the 1% contribution rate for Death and Disability Program) was 14.83% 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 House Bill 2002 authorized delay of $194.0 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 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

In 2021, the 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 KEPRS-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 $1,344,460 for the year ended June 30, 2023.

Net Pension Liability

At June 30, 2023, the District's proportionate share of the net pension liability reported by KPERS was $13,227,798. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Sick Leave. The District provides sick leave for classified staff. Classified staff are allowed 12 days of sick leave per year after two consecutive months of employment. These may be accumulated to 60 days, with the use of the additional 12 days allowed for those with maximum accumulation of leave.

Vacation Leave. The District provides vacation leave to classified personnel after one year of service and does not accumulate. Employees leaving the District shall be paid for accrued vacation time at their regular daily rate. This leave is earned at the following rates:

Years of Service	Vacation Time
1-5 Years	2 Weeks
6-15 Years	3 Weeks
Over 15 Years	4 Weeks

Personal Leave. The District provides personal leave to classified staff. Classified staff are allowed two days per year, accumulative to three days.

Universal Leave. Certified staff are granted Universal leave which includes days previously termed sick personal, and flex leave. The universal leave is earned at the following rates:

Years of Service	Universal Leave
1-5 Years	50 days
6-10 Years	51 days
Over 11 Years	52 days

Teachers using one or fewer sick leave days during the school year will receive a bonus of $100. Payment for non-used universal leave is based on a minimum accumulation 20 days to become eligible for payment. Payments to the individual is to be made upon retirement, reduction in force, resignation (prior to June 1 of contract year), death, or long-term disability. The payment rate is based on 100% of accumulated days at the rate of $50 per day.

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 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.

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.

Termination Benefits. The District provides an early retirement program for certain eligible employees. An employee is eligible for early retirement if such employee (a) is currently a full-time employee of the school district, (b) is not eligible to receive full social security benefits and is retired or disabled according to the provisions of KPERS, (c) has ten or more years of full time employment service with USD 321, (d) has fully terminated contractual employment with USD 321, and (e) files an application to receive early retirement benefits in writing which shall be submitted on or before the January 5th, preceding the anticipated retirement date and includes all of the information required to be include. Those eligible under this program may receive benefits for up to five years.

The District provides a retirement plan for eligible employees. Written notification must be given to the Superintendent on or before January 5th of the current contract year for certified staff to be eligible for this retirement benefit. Teachers and classified staff retiring from service to the district will receive a retirement supplement of not less than 30 days salary and not more than 50 days salary, based on years of service to the district. In order to be eligible for this benefit, employees must have served the district for at least 10 years and be eligible for KPERS full retirement or permanent disability benefits and, in addition, actually be receiving disability or retirement benefits according to KPERS.

8. RISKS AND UNCERTAINTIES

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to protect themselves from these risks.

The District is self-insured to provide group medical coverage. A third party administers the group medical coverage for the District. The District funds its losses based on actual claims. A stop-loss insurance contract executed with an insurance carrier covers individual claims in excess of a set amount per plan year. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed insurance coverage for the last three years.

9. RELATED PARTIES

During the year ended June 30, 2023, there were five employees related to various board members and one employee related to the superintendent.

10. COMPILANCE WITH KANSAS STATUTES

Per Kansas Statues checks outstanding for two years or more are to be canceled and restored to the fund originally charged. It was noted that checks totaling $3,246 were long outstanding and in violation.

Per K.S.A 79-2935 expenditures are to be controlled so no indebtedness is created in excess of budget limits. It was noted that the General Fund was over budget by $5,922 and Supplemental General Fund was over budget by $19,167. Both General Fund and Supplemental General Fund are in violation.

11. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2023 through March 21, 2024, the date the financial statement was available to be issued, and determined that no subsequent events have occurred that would require recognition in the financial statements.

On July 19, 2023, the District entered into a lease purchase agreement with Bank of the Flint Hills to purchase buses in the amount of $855,000. Payments are to begin February 15, 2024.

UNIFIED SCHOOL DISTRICT NO. 321
NOTES TO THE FINANCIAL STATEMENT
12. LONG-TERM DEBT

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Temporary Note:									
Capital Outlay Note Series 2020	1.43%	4/24/2020	$2,500,000	9/1/2022	$ 625,000	$ -	$ 625,000	$ -	$ 4,469
Total Contractual Indebtedness					$ 625,000	$ -	$ 625,000	$ -	$ 4,469

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE 1

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:						
General	$ 9,484,107	$ (305,105)	$ 170,581	$ 9,349,583	$ 9,355,505	$ 5,922
Supplemental General	3,163,702	(29,554)	-	3,134,148	3,153,315	19,167
Special Purpose Funds:						
Capital Outlay	4,033,233	-	-	4,033,233	3,614,045	(419,188)
Driver Training	36,000	-	-	36,000	8,392	(27,608)
Food Service	1,415,989	-	-	1,415,989	1,105,471	(310,518)
Professional Development	-	-	-	-	-	-
Parent Education	51,163	-	-	51,163	48,154	(3,009)
Special Education	2,998,617	-	-	2,998,617	2,998,617	-
Career and Post Secondary Education	497,406	-	-	497,406	497,406	-
At Risk (4 Year Old)	11,000	-	-	11,000	11,000	-
At Risk (K-12)	1,097,031	-	-	1,097,031	1,097,031	-
KPERS Special Retirement Contribution	1,452,579	-	-	1,452,579	1,344,460	(108,119)

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
General State Aid	$ 7,377,669	$ 7,302,553	$ 7,561,326	$ (258,773)
Special Education Services Aid	1,829,810	1,876,449	1,922,781	(46,332)
Reimbursements and Other	186,688	170,581	-	170,581
Total Receipts	9,394,167	9,349,583	$ 9,484,107	$ (134,524)
Expenditures				
Instruction	3,488,193	3,897,439	$ 3,994,000	$ (96,561)
Student Support Services	45	417	-	417
Instructional Support Staff	188,854	194,723	196,675	(1,952)
General Administration	320,805	426,918	297,820	129,098
School Administration	761,951	769,718	783,640	(13,922)
Operations and Maintenance	18,661	12,097	23,500	(11,403)
Vehicle Operating Service	177,116	204,523	205,000	(477)
Operating Transfers	4,438,542	3,849,670	3,983,472	(133,802)
Adjustment to Comply with Legal Max	-	-	(305,105)	305,105
Legal General Fund Budget	9,394,167	9,355,505	9,179,002	176,503
Adjustment for Qualifying Budget Credits	-	-	170,581	(170,581)
Total Expenditures	9,394,167	9,355,505	$ 9,349,583	$ 5,922
Receipts Over (Under) Expenditures	-	(5,922)		
Prior year canceled encumbrances	-	5,922		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	$ 2,922,287	$ 3,112,981	$ 2,787,643	$ 325,338
Delinquent Tax	3,046	6,111	6,907	(796)
Motor Vehicle Tax	74,164	69,395	63,631	5,764
16/20 Tax	1,907	7,431	855	6,576
Recreational Vehicle Tax	1,455	1,452	1,154	298
Other	-	424	-	424
Total Receipts	3,002,859	3,197,794	$ 2,860,190	$ 337,604
Expenditures				
Instruction	1,039,894	1,410,848	$ 1,153,000	$ 257,848
Student Support Services	3,546	23,344	6,500	16,844
Operations and Maintenance	568,770	498,609	645,500	(146,891)
Operating Transfers	1,481,267	1,220,514	1,358,702	(138,188)
Adjustment to Comply with Legal Max	-	-	(29,554)	29,554
Total Expenditures	3,093,477	3,153,315	$ 3,134,148	$ 19,167
Receipts Over (Under) Expenditures	(90,618)	44,479		
Prior year canceled encumbrances	-	1,538		
Unencumbered Cash, Beginning	408,647	318,029		
Unencumbered Cash, Ending	$ 318,029	$ 364,046		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 3,551,440	$ 3,534,161	$ 3,701,417	$ (167,256)
Delinquent	3,161	6,993	8,392	(1,399)
Motor Vehicle Tax	78,273	82,805	75,876	6,929
16/20 Tax	1,261	7,822	1,021	6,801
Recreational Vehicle Tax	1,537	1,731	1,376	355
Other	-	5,800	-	5,800
Total Receipts	3,635,672	3,639,312	$ 3,788,082	$ (148,770)
Expenditures				
Instruction	355,564	651,620	$ 550,000	$ 101,620
Student Support Services	29,300	29,300	-	29,300
General Administration	-	-	150,000	(150,000)
Operations and Maintenance	1,274,838	1,503,090	1,750,000	(246,910)
Transportation	372,169	443,418	500,000	(56,582)
Architectural and Engineering Services	205,674	357,148	453,764	(96,616)
Debt Service - Capital Outlay Note	1,272,344	629,469	629,469	-
Total Expenditures	3,509,889	3,614,045	$ 4,033,233	$ (419,188)
Receipts Over (Under) Expenditures	125,783	25,267		
Prior year canceled encumbrances	-	1,181		
Unencumbered Cash, Beginning	231,368	357,151		
Unencumbered Cash, Ending	$ 357,151	$ 383,599		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
State Safety Aid	$ 8,172	$ 9,660	$ 11,475	$ (1,815)
Other	12,266	12,438	13,000	(562)
Total Receipts	20,438	22,098	$ 24,475	$ (2,377)
Expenditures				
Instruction	-	2,618	$ 5,000	$ (2,382)
Vehicle Operations and Maintenance	19,385	5,774	31,000	(25,226)
Total Expenditures	19,385	8,392	$ 36,000	$ (27,608)
Receipts Over (Under) Expenditures	1,053	13,706		
Unencumbered Cash, Beginning	34,460	35,513		
Unencumbered Cash, Ending	$ 35,513	$ 49,219		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
Food Service Aid	$ 947	$ 6,414	$ 8,600	$ (2,186)
Federal Aid:				
Child Nutrition Cluster	1,235,359	744,629	526,980	217,649
Local Receipts	17,492	244,719	452,050	(207,331)
Other	19,068	54,537	300,000	(245,463)
Total Receipts	1,272,866	1,050,299	$ 1,287,630	$ (237,331)
Expenditures				
Operations and Maintenance	4,576	15,148	$ 10,000	$ 5,148
Food Service Operation	1,062,354	1,090,323	1,405,989	(315,666)
Total Expenditures	1,066,930	1,105,471	$ 1,415,989	$ (310,518)
Receipts Over (Under) Expenditures	205,936	(55,172)		
Unencumbered Cash, Beginning	94,424	300,360		
Unencumbered Cash, Ending	$ 300,360	$ 245,188		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ -	$ 1,559	$ -	$ 1,559
Expenditures				
Instructional Support Staff	-	-	$ -	$ -
Receipts Over (Under) Expenditures	-	1,559		
Unencumbered Cash, Beginning	2,311	2,311		
Unencumbered Cash, Ending	$ 2,311	$ 3,870		

UNIFIED SCHOOL DISTRICT NO. 321
PARENT 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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 31,361	$ 31,163	$ 31,163	$ -
Operating Transfers	17,000	17,000	20,000	(3,000)
Total Receipts	48,361	48,163	$ 51,163	$ (3,000)
Expenditures				
Instruction	6,501	5,000	$ 6,500	$ (1,500)
Student Support Services	41,050	41,154	43,820	(2,666)
Instructional Support Staff	-	2,000	843	1,157
Total Expenditures	47,551	48,154	$ 51,163	$ (3,009)
Receipts Over (Under) Expenditures	810	9		
Unencumbered Cash, Beginning	-	810		
Unencumbered Cash, Ending	$ 810	$ 819		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid:				
Medical Assistance Program (Medicaid)	$ 78,741	$ 69,759	$ -	$ 69,759
Other Federal Funds	-	2,105	100,000	(97,895)
Other Revenue from Local Sources	613	200	200,000	(199,800)
Interest	6,718	34,943	50,000	(15,057)
Operating Transfers	2,990,658	2,913,773	2,641,781	271,992
Total Receipts	3,076,730	3,020,780	$ 2,991,781	$ 28,999
Expenditures				
Instruction	2,328,677	2,172,217	$ 2,176,341	$ (4,124)
Student Support Services	313,279	366,452	322,900	43,552
Instructional Support Staff	45,571	64,266	61,100	3,166
School Administration	221,145	232,488	248,741	(16,253)
Student Transportation Service	167,659	163,194	189,535	(26,341)
Total Expenditures	3,076,331	2,998,617	$ 2,998,617	$ -
Receipts Over (Under) Expenditures	399	22,163		
Unencumbered Cash, Beginning	437	836		
Unencumbered Cash, Ending	$ 836	$ 22,999		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid and Other	$ 7,471	$ 21,223	$ 23,595	$ (2,372)
Operating Transfers	465,000	429,347	472,923	(43,576)
Total Receipts	472,471	450,570	$ 496,518	$ (45,948)
Expenditures				
Instruction	429,283	497,406	$ 497,406	$ -
Receipts Over (Under) Expenditures	43,188	(46,836)		
Prior year canceled encumbrances	-	3,691		
Unencumbered Cash, Beginning	700	43,888		
Unencumbered Cash, Ending	$ 43,888	$ 743		

UNIFIED SCHOOL DISTRICT NO. 321
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 TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2022)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 11,000	$ 11,000	$ 11,000	$ -
Expenditures				
Instruction	11,000	11,000	$ 11,000	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 1,191,407	$ 1,043,190	$ 1,096,470	$ (53,280)
Expenditures				
Instruction	1,062,149	1,097,031	$ 1,097,031	$ -
Receipts Over (Under) Expenditures	129,258	(53,841)		
Unencumbered Cash, Beginning	302	129,560		
Unencumbered Cash, Ending	$ 129,560	$ 75,719		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
KPERS State Aid	$ 1,383,409	$ 1,344,460	$ 1,452,579	$ (108,119)
Expenditures				
KPERS Retirement	1,383,409	1,344,460	$ 1,452,579	$ (108,119)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
CONTINGENCY RESERVE FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	$ 314,744	$ 199,874
Expenditures		
Instruction	241,000	-
Receipts Over (Under) Expenditures	73,744	199,874
Unencumbered Cash, Beginning	979	74,723
Unencumbered Cash, Ending	$ 74,723	$ 274,597

UNIFIED SCHOOL DISTRICT NO. 321
TEXTBOOK AND STUDENT MATERIAL REVOLVING FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Rental Fees	$ 36,731	$ 43,525
Expenditures		
Instruction	36,058	42,172
Receipts Over (Under) Expenditures	673	1,353
Unencumbered Cash, Beginning	2,740	3,413
Unencumbered Cash, Ending	$ 3,413	$ 4,766

UNIFIED SCHOOL DISTRICT NO. 321
TITLE I FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 170,961	$ 190,372
Expenditures		
Instruction	170,399	190,793
Receipts Over (Under) Expenditures	562	(421)
Unencumbered Cash, Beginning	-	562
Unencumbered Cash, Ending	$ 562	$ 141

UNIFIED SCHOOL DISTRICT NO. 321
TITLE II-A FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 49,276	$ 46,500
Expenditures		
Instructional Support Services	48,904	46,740
Receipts Over (Under) Expenditures	372	(240)
Unencumbered Cash, Beginning	-	372
Unencumbered Cash, Ending	$ 372	$ 132

UNIFIED SCHOOL DISTRICT NO. 321
TITLE IV-A STUDENT SERVICES FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 18,215	$ 18,493
Expenditures		
Instruction	18,215	18,493
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B DISCRETIONARY FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 12,978	$ 12,978
Expenditures		
Instruction	12,978	12,738
Receipts Over (Under) Expenditures	-	240
Prior year canceled encumbrances	-	3,636
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 3,876

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B PASS THRU FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 289,212	244,000
Other Revenue from Local Sources	-	200
Total Receipts	289,212	244,200
Expenditures		
Student Support Services	288,235	244,135
Receipts Over (Under) Expenditures	977	65
Unencumbered Cash, Beginning	-	977
Unencumbered Cash, Ending	$ 977	$ 1,042

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B PRESCHOOL FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 10,446	$ 10,746
Expenditures		
Instruction	10,034	10,000
Receipts Over (Under) Expenditures	412	746
Unencumbered Cash, Beginning	2,711	3,123
Unencumbered Cash, Ending	$ 3,123	$ 3,869

UNIFIED SCHOOL DISTRICT NO. 321
ESSER CARES FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 675,544	$ 305,000
Expenditures		
Instruction	644,654	293,625
Other Support Services	30,890	10,967
Total Expenditures	675,544	304,592
Receipts Over (Under) Expenditures	-	408
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 408

UNIFIED SCHOOL DISTRICT NO. 321
COVID TESTING GRANT FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 16,399	$ 85,211
Expenditures		
Instruction	16,395	84,308
Receipts Over (Under) Expenditures	4	903
Unencumbered Cash, Beginning	-	4
Unencumbered Cash, Ending	$ 4	$ 907

UNIFIED SCHOOL DISTRICT NO. 321
EMERGENCY CONNECTIVITY FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ -	$ 102,125
Expenditures		
Technology	-	102,125
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
KPP GRANT FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Grant	$ 135,596	$ 133,535
Expenditures		
Instruction	135,596	133,246
Receipts Over (Under) Expenditures	-	289
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 289

UNIFIED SCHOOL DISTRICT NO. 321
GIFTS AND GRANTS FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 16,885	$ 25,673
Donations	447	586
Total Receipts	17,332	26,259
Expenditures		
Instruction	16,885	27,093
Receipts Over (Under) Expenditures	447	(834)
Prior year canceled encumbrances	-	1,628
Unencumbered Cash, Beginning	1,329	1,776
Unencumbered Cash, Ending	$ 1,776	$ 2,570

UNIFIED SCHOOL DISTRICT NO. 321
SAFE SCHOOLS FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
State Aid	$ -	$ 19,040
Expenditures		
Supplies	-	19,040
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
CONSTRUCTION FUND
SCHEDULE 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)

SCHEDULE 2

	Year Actual	Year Actual
Receipts		
Loan Proceeds	$ -	$ -
Expenditures		
Construction	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	102	102
Unencumbered Cash, Ending	$ 102	$ 102

UNIFIED SCHOOL DISTRICT NO. 321
BOND AND INTEREST 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Revenue:		
Delinquent Taxes	$ -	$ -
Expenditures		
Debt Payments	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	96	96
Unencumbered Cash, Ending	$ 96	$ 96

UNIFIED SCHOOL DISTRICT NO. 321
SCHOLARSHIP FUND
SCHEDULE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Interest	$ 400	$ -
Expenditures		
Scholarships	200	150
Receipts Over (Under) Expenditures	200	(150)
Unencumbered Cash, Beginning	2,815	3,015
Unencumbered Cash, Ending	$ 3,015	$ 2,865

UNIFIED SCHOOL DISTRICT NO. 321
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organization Funds				
Rossville High School				
FFA	$ 15,466	$ 29,329	$ 27,083	$ 17,712
FCCLA	1,072	4,036	4,445	663
High School Stuco	2,317	1,262	1,411	2,168
Junior High Stuco	400	3,185	2,419	1,166
FBLA	6,867	810	4,197	3,480
National Honor Society	128	374	-	502
FCA	64	-	-	64
Step / Sadd	37	-	-	37
Senior	80	6,461	6,101	440
Junior	3,322	8,221	9,601	1,942
Sophomore	4,805	-	1,247	3,558
Freshman	1,658	-	563	1,095
HS Cheer	10,165	18,580	22,477	6,268
Jr. High Cheerleaders	3,087	2,900	3,872	2,115
Dance	4,224	11,953	9,491	6,686
Band	489	325	180	634
Scholar's Bowl	133	-	-	133
Exchange Activities	508	-	-	508
Metal Shop	-	541	541	-
Choir	36	-	-	36
FBLA JH	24	-	-	24
RHS Activity Fee	953	1,261	791	1,423
RH Forensics	110	-	-	110
Subtotal Rossville High School	55,945	89,238	94,419	50,764
St. Marys High School				
FFA	458	26,596	17,189	9,865
FCCLA	803	13,786	13,277	1,312
High School Stuco	6,660	5,211	3,823	8,048
Junior High Stuco	958	3,572	4,437	93
FBLA	2,231	4,499	4,035	2,695
National Honor Society	1,269	811	1,613	467
FCA	821	87	71	837
Step / Sadd	2,272	1,435	130	3,577
Senior	3,286	210	1,851	1,645
Junior	3,773	5,110	5,435	3,448
Sophomore	1,404	3,447	2,255	2,596
Freshman	-	1,007	32	975
HS Cheer	824	11,298	9,042	3,080
Jr. High Cheerleaders	1,116	4,839	2,907	3,048

UNIFIED SCHOOL DISTRICT NO. 321
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Dance	$ 201	$ 6,394	$ 4,109	$ 2,486
Band	339	1,379	1,572	146
Choir	2,031	2,551	999	3,583
Learning Center	-	3,290	703	2,587
Multimedia Class	-	1,961	586	1,375
Scholar's Bowl	656	-	-	656
Foreign Language	869	-	-	869
Theater	1,349	1,928	517	2,760
SMJSHS Activity	4,288	860	363	4,785
Senior Composite	2,719	-	326	2,393
Newspaper	16	-	-	16
Subtotal St. Marys High School	38,343	100,271	75,272	63,342
Rossville Grade School				
Parents as Teachers	710	-	-	710
Wellness	1,425	-	-	1,425
Walmart Foundation	1,300	-	-	1,300
Science	173	-	-	173
Carol Jory Donation	5,000	-	-	5,000
Library	1,100	3,060	2,938	1,222
Lambotte Donations	915	-	-	915
RGS Student Bank	41	1,259	1,286	14
Aubert Playground Donations	11,823	-	-	11,823
Kelling Family	2,092	-	-	2,092
Art	313	-	-	313
Dawg House	595	568	210	953
Subtotal Rossville Grade School	25,487	4,887	4,434	25,940
St. Marys Grade School				
5/6 Grade	-	1,143	1,242	(99)
Field Trips	-	2,133	2,113	20
Student Council	634	215	-	849
Library	986	21	75	932
Social Committee	424	570	345	649
OT Grant	199	-	-	199
Playground Fence Funds	-	580	-	580
Band	200	-	-	200
Subtotal St. Marys Grade School	2,443	4,662	3,775	3,330
Total Student Organization Funds	122,218	199,058	177,900	143,376
Special Reserves	442	2,456,795	2,457,043	194
TOTAL AGENCY FUNDS	$ 122,660	$ 2,655,853	$ 2,634,943	$ 143,570

UNIFIED SCHOOL DISTRICT NO. 321
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2023

SCHEDULE 4

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Athletics and Other						
Rossville High School	$ 56,565	$ 115,071	$ 117,484	$ 54,152	$ -	$ 54,152
St.Marys High School	36,381	85,757	80,481	41,657	-	41,657
Rossville Grade School	6,904	8,930	9,815	6,019	-	6,019
St. Marys Grade School	3,472	3,332	3,012	3,792	-	3,792
Subtotal Athletics and Other	103,322	213,090	210,792	105,620	-	105,620
School Projects						
Rossville High School	8,645	793	771	8,667	-	8,667
St.Marys High School	14,600	2,459	5,556	11,503	-	11,503
Rossville Grade School	2,795	306	350	2,751	-	2,751
St. Marys Grade School	358	1,439	1,404	393	-	393
Subtotal School Projects	26,398	4,997	8,081	23,314	-	23,314
Revolving Funds						
Rossville High School	-	95,702	95,602	100	-	100
St.Marys High School	-	78,268	78,012	256	-	256
Rossville Grade School	-	94,787	94,786	1	-	1
St. Marys Grade School	-	45,114	45,114	-	-	-
Subtotal Revolving Fund	-	313,871	313,514	357	-	357
Total District Activity Funds	$ 129,720	$ 531,958	$ 532,387	$ 129,291	$ -	$ 129,291

UNIFIED SCHOOL DISTRICT NO. 321

SINGLE AUDIT SECTION

JUNE 30, 2023

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*

To the Board of Education of Unified School District No. 321

St. Marys, Kansas

We have audited, in accordance with the 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 statement of Unified School District No. 321 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated March 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 321'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 opinion on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of Unified School District No. 321's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 321's internal control.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2023-001 and 2023-002 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 321'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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 321's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Unified School District No. 321's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Unified School District No. 321's response was no subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Unified School District No. 321's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.

Topeka, Kansas

March 21, 2024

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

To the Board of Education Unified School District No. 321

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 321's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 321's major federal programs for the year ended June 30, 2023. Unified School District No. 321's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 321 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Unified School District No. 321 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District No. 321's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Unified School District No. 321'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 errors, and express and opinion on Unified School District No. 321'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 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 Unified School District's No. 321's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District No. 321's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Unified School District No. 321's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 321'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 an other instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2023-004. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Unified School Districts No. 321's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District No. 321's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies internal control over

compliance may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a material weakness.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District No. 321's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District No. 321's response was not subject to the other auditing procedures applied in the audit of compliance and, according, we express no opinion on the response.

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.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
March 21, 2024

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 321 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. Two material weaknesses were identified, and one significant deficiency was reported in the design or operation of internal control over financial reporting.

3. No instances of noncompliance material to the financial statements of Unified School District No. 321, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. One material weakness was identified and no significant deficiencies were reported during the audit of each major federal program.

5. The auditor's report on compliance for each major federal program for Unified School District No. 321 expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.

7. The programs tested as major programs: Child Nutrition Cluster, Assistance Listing Number 10.553, 10.555 and 10.559.

8. The threshold for distinguishing Type A and Type B programs was $750,000 for major Federal programs.

9. Unified School District No. 321 was determined to not be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINDINGS – FINANCIAL STATEMENT

2023-001 Internal Controls over Financial Statement Presentation (Material Weakness)

Criteria: The financial statement is the responsibility of management. As such, the District's internal control over the financial statement should identify misstatements on a timely basis.

Condition: During the course of our audit, we identified significant adjustments to the trial balance that were not initially identified by the District's internal control structure. Expenditures were not posted to the proper funds causing the need for adjustments to multiple funds.

Cause: The District's policies and procedures were not designed to prepare the financial statement in conformity with the regulatory basis of accounting.

Effect: The District's financial statements required multiple adjustments to funds to ensure proper recording.

Recommendation: We recommend that the Board of Education and management review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure conformity with the regulatory basis of accounting.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures for internal control over financial reporting to ensure conformity with the regulatory basis of accounting.

2023-002 Internal Controls over Adjustments to Expenditures (Material Weakness)

Criteria: Adjustments to expenditure accounts in the general ledger should be made in a manner that is supported by proper documentation and allocation of expenditures.

Condition: During the course of our audit, we noted that the Organization moved expenditures between funds in a manner that caused negative (credit) balances in certain expenditure accounts. Moving of these expenditures were made without proper documentation and allocation.

Cause: The District's policies and procedures were not designed to prevent negative (credit) balances in certain expenditure accounts. Adjustments were made so that appropriated funds did not violate cash basis law under K.S.A 10-1113.

Effect: Certain expenditures accounts showed negative (credit) balances during and at the end of the year ended June 30, 2023.

Recommendation: We recommend that the Board of Education and management review the process of moving expenditures between funds so that negative (credit) balances are not reported in general ledger accounts. Adjustments to expenditure accounts in the general ledger should be supported by proper documentation and allocation of expenditures.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures to move expenditures between funds with proper documentation.

2023-003 Internal Controls over Compliance with Kansas Statutes (Significant Deficiency)

Criteria: According to K.S.A 79-2935 expenditures are controlled so that no indebtedness is created in excess of budget limits. Expenditures, including encumbrances, in any lawfully budgeted fund should not exceed the adopted budget of expenditures for such fund for the budget year.

Condition: We have determined that there was an inadequate design of internal control to ensure compliance with Kansas Statues.

Cause: The District's policies and procedures were not designed to ensure proper conformity with budget laws associated with Kansas Statues.

Effect: The absence of proper policies and procedures increases the risk that noncompliance of Kansas Statues could occur and go undetected. During the year ended June 30, 2023 the General Fund and the Supplemental General Fund expenditures were over budget creating a budget violation.

Recommendation: We recommend that Board of Education and management review the expenditures in funds to ensure that no indebtedness is created in excess of budget limits.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures to ensure compliance with Kansas Statutes.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2023-004 Preparation of and Internal controls over Schedule of Expenditures of Federal Awards Preparation (Material Weakness)

Federal Agency: U.S Department of Education
Program Name: Child Nutrition Cluster
Assistance Listing Numbers: 10.553, 10.555 and 10.559
Award Period: June 30, 2023

Criteria: According to 2 CFR 200, Subpart F, the District is required to prepare a schedule of federal expenditures, which must include the total federal awards expended as determined in accordance with §200.502. An effective internal control system exists if controls are effective in preventing or detecting material misstatements in the preparation of the schedule of federal expenditures of federal awards (the schedule). It provides reasonable assurance for the reliability of financial information and compliance with laws and regulations.

Condition: We have determined that there was an inadequate design of internal control over the preparation of the schedule during the fiscal year ended June 30, 2023. The current financial reporting process does not ensure accuracy and completeness in the preparation of the schedule by the District, as required by Uniform Guidance.

Cause: The District's policies and procedures were not designed to ensure the District's preparation of the schedule in conformity with Uniform Guidance.

Effect: The District did not prepare the schedule in conformity with Uniform Guidance. This increases the likelihood of a material misstatement and noncompliance with laws and regulations.

Recommendation: We recommend the Board of Education and management review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure that the District prepares the schedule conformity with Uniform Guidance.

Questioned Costs: None.

Repeat Finding: No.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper written policies and procedures for the internal control over compliance to ensure accuracy and completeness in the District's preparation of the schedule as required by Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY SCHEDULE OF PRIOR YEAR AUIDT FINDINGS

FINDINGS – FINANCIAL STATEMENT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

None.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor	Assistance Listing Number	Pass-Through Entity Name	Name of Grant - Grant ID No.	Federal Expenditures
EXPENDITURES OF FEDERAL AWARDS				
Child Nutrition Cluster-Cluster				
United States Department of Agriculture				
School Breakfast Program	10.553	Kansas State Department of Education	School Breakfast 329-3490	$ 179,195
National School Lunch Program	10.555	Kansas State Department of Education	Supply Chain Assistance 3530-3500	517,984
Summer Food Service Program for Children	10.559	Kansas State Department of Education	Cash for Commodities 3530-3500	47,450
Total United States Department of Agriculture				744,629
Total Child Nutrition Cluster-Cluster				744,629
Special Education Cluster (IDEA)-Cluster				
Department of Education				
Special Education Grants to States	84.027	Kansas State Department of Education	EHC Flo-Thru 3234-3050	256,873
Special Education Preschool Grants	84.173	Kansas State Department of Education	EC Flow-Thru 3535-3550	10,000
Total Department of Education				266,873
Total Special Education Cluster (IDEA)-Cluster				266,873
Other Programs				
Federal Communications Commission				
Emergency Connectivity Fund Program	32.009			102,125
Total Federal Communications Commission				102,125
Department of Education				
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education	Title I Low Income 3532-3520	190,793
Career and Technical Education -- Basic Grants to States	84.048	Kansas State Department of Education	Reserve Fund 3539-3590	475
Indian Education Grants to Local Educational	84.060			20,955
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education	Supporting Effective Instruction (was Title IIA) 3526-3860	46,740

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor	Assistance Listing Number	Pass-Through Entity Name	Name of Grant - Grant ID No.	Federal Expenditures
			ESSA-StudSrrt	
			Academic Enrich	
		Kansas State Department of	FloThru	
Student Support and Academic Enrichment Program	84.424	Education	3113-3113	$ 18,493
		Kansas Department of	ESSER	
Education Stabilization Fund (COVID-19)	84.425	Education	3233-3040	304,592
Total Department of Education				582,048
Department of Health and Human Services				
			KDHE K-12	
			COVID Testing	
		Kansas State Department of	Grant	
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (COVID-19)	93.323	Education	3056-3200	84,308
			TANF-Early	
			Learning	
		Kansas State Department of	Kansans	
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Education	3323-0531	62,500
Total Department of Health and Human Services				146,808
Total Other Programs				830,981
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,842,483

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 321
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 321 (the District) and is presented on the regulatory basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the regulatory basis of accounting, as described in Note 2 to the District's financial statement.

3. DE MINIMIS INDIRECT COST RATE

In accordance with Section 2 U.S. *Code of Federal Regulations* Part 200.412 the District is allowed to elect to use the ten percent de minimis indirect cost rate. The District did not elect to use the 10% de minimis indirect cost rate.