UNIFIED SCHOOL DISTRICT NO. 323

St. George, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2024

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
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September 5, 2024

Board of Education
Unified School District No. 323
St. George, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 323 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the 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, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the 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, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) 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), KMAAG and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits. 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 the 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 KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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.

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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 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, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

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 statement as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated September 5, 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Prior Year Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ (22,212)	$ 10,528,506	$ 10,506,294	$ -	$ 431,922	$ 431,922
Supplemental General	186,283	(60,980)	3,333,803	3,331,993	127,113	54,987	182,100
Special Purpose Funds							
Federal Funds	(292,737)	(17,940)	860,303	599,924	(50,298)	16,034	(34,264)
Preschool-Aged At-Risk Fund	(3,766)	-	75,000	66,554	4,680	3,958	8,638
At-Risk (K-12) Fund	342,458	(7,193)	898,336	728,859	504,742	37,822	542,564
Bilingual Education Fund	31,714	-	1,666	7,480	25,900	-	25,900
Virtual Education Fund	(390)	-	20,000	17,000	2,610	-	2,610
Capital Outlay Fund	2,202,831	(31,793)	1,171,686	1,755,617	1,587,107	1,057,235	2,644,342
Food Service Fund	422,876	(887)	754,171	896,171	279,989	13,312	293,301
Professional Development Fund	(56,174)	(2,431)	122,710	60,326	3,779	391	4,170
Parent Education Fund	41,558	-	49,878	73,208	18,228	1,746	19,974
Special Education Fund	849,785	(3,960)	1,762,958	2,160,787	447,996	477	448,473
Career and Postsecondary Education Fund	(60,512)	(392)	495,559	427,634	7,021	24,616	31,637
KPERS Special Retirement Contribution Fund	-	-	1,080,324	1,080,324	-	-	-
Gifts and Grants Fund	39,018	(1,432)	84,896	89,900	32,582	(6)	32,576
Contingency Reserve Fund	526,992	-	51,153	1,415	576,730	-	576,730
Student Material Revolving/Textbook Rent Fund	59,372	(21,780)	70,502	36,487	71,607	(498)	71,109
District Activity Funds	36,902	-	133,181	153,749	16,334	-	16,334
Capital Improvement Fund	575,316	(16,775)	7,013	41,628	523,926	23,991	547,917
Bond and Interest Fund	2,801,195	-	2,875,038	2,503,517	3,172,716	-	3,172,716
Total Reporting Entity (Excluding Agency Funds)	$ 7,702,721	$ (187,775)	$ 24,376,683	$ 24,538,867	$ 7,352,762	$ 1,665,987	$ 9,018,749

Composition of Cash	
Checking Accounts	$ 8,468,138
Money Market Accounts	756,663
Total Cash	$ 9,224,801
Less: Agency funds per Schedule 3	(206,052)
Total Reporting Entity (Excluding Agency Funds)	$ 9,018,749

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 323 (the District) is a municipal corporation governed by an elected seven-member board organized under the laws of the State of Kansas to provide a system of education to elementary and high school students who reside within the designated district area.

Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts 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 out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds were utilized in recording the financial activities of the District.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District:

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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, etc.).

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Note 1: Summary of Significant Accounting Policies (Continued)

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) and bond and interest 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

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 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 budget expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, agency funds, activity funds, and the following special purpose funds:

Student Material/Textbook Rent Fund Gift and Grants Fund
Contingency Reserve 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: Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

Note 3: 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 deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

Custodial credit risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not have a peak period pledge agreement during the year ended June 30, 2024, and therefore the District did not designate peak periods.

At June 30, 2024, the District's carrying amount of deposits was $9,224,801 and the bank balance was $10,961,277. 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 $7,305,662 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name, with the remaining balance being under-secured at year-end.

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 4: Long-Term Debt

Long-term liabilities for the District for the year were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds									
Series 2012	3.00%	07/11/2012	$ 4,420,000	09/01/2032	$ 4,420,000	$ -	$ -	$ 4,420,000	$ 132,600
Series 2013	2.0 to 2.5%	04/01/2013	9,625,000	09/01/2027	5,165,000	-	925,000	4,240,000	110,260
Series 2018	3.00% to 4.00%	03/01/2018	30,630,000	09/01/2042	30,390,000	-	195,000	30,195,000	1,140,656
Finance Lease									
Energy Equipment	3.74%	10/21/2010	2,180,822	09/01/2025	537,121	-	172,508	364,613	20,088
Total Long-Term Debt					$ 40,512,121	$ -	$ 1,292,508	$ 39,219,613	$ 1,403,604

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

Principal	**2025**	**2026**	**2027**	**2028**	**2029**	**2030 - 2034**	**2035 - 2039**	**2040 - 2043**	**Total**
Series 2012	$ -	$ -	$ -	$ -	$ 765,000	$ 3,655,000	$ -	$ -	$ 4,420,000
Series 2013	975,000	1,025,000	1,090,000	1,150,000	-	-	-	-	4,240,000
Series 2018	260,000	330,000	400,000	480,000	820,000	5,615,000	10,965,000	11,325,000	30,195,000
Energy Equipment	178,960	185,653	-	-	-	-	-	-	364,613
Total Principal	$ 1,413,960	$ 1,540,653	$ 1,490,000	$ 1,630,000	$ 1,585,000	$ 9,270,000	$ 10,965,000	$ 11,325,000	$ 39,219,613
Interest									
Series 2012	$ 132,600	$ 132,600	$ 132,600	$ 132,600	$ 132,600	$ 530,400	$ -	$ -	$ 1,193,400
Series 2013	90,773	67,723	41,830	14,375		-	-	-	214,701
Series 2018	1,129,281	1,114,531	1,096,281	1,074,281	1,045,881	4,666,905	3,037,262	842,648	14,007,070
Energy Equipment	13,637	6,943	-	-		-	-	-	20,580
Total Interest	$ 1,366,291	$ 1,321,797	$ 1,270,711	$ 1,221,256	$ 1,178,481	$ 5,197,305	$ 3,037,262	$ 842,648	$ 15,435,751

Note 5: Interfund Transactions

The District made the following operating transfers during fiscal year ended June 30, 2024. The transfers were approved by the Board of Education.

Fund From	Fund To	Statutory Authority	Amount
General	Special Education	K.S.A. 72-5153	$ 1,237,186
General	Contingency Reserve	K.S.A. 72-5153	51,153
General	At-Risk (K-12)	K.S.A. 72-5153	679,757
Supplemental	Preschool-Aged At-Risk	K.S.A. 72-5153	75,000
Supplemental	Virtual Education	K.S.A. 72-5143	20,000
Supplemental	Special Education	K.S.A. 72-5143	500,000
Supplemental	At-Risk (K-12)	K.S.A. 72-5143	218,579
Supplemental	Bilingual Education	K.S.A. 72-5143	1,666
Supplemental	Professional Development	K.S.A. 72-5143	115,000
Supplemental	Career & Postsecondary Education	K.S.A. 72-5143	488,565
	Total Transfers		$ 3,386,906

Note 6: Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employee. Following is a synopsis of the District's compensated absence policies:

Vacation Leave Superintendent and Administrative Staff

The superintendent receives 20 working days' vacation each year. Full-time administrative staff may earn/accrue vacation leave at a rate of one day for each month during the year, up to a maximum of 10 days per year, or after 10 years of employment service with the District, at a rate of 1.5 days per month, up to a maximum of 15 days per year.

Employees must utilize all vacation leave accrued during the prior year no later than December 31st of any year, carrying forward no more than the maximum earned/accrued during the current year. Employees leaving the District shall be paid for all unused earned vacation leave at the employee's current rate of pay when the employment is terminated with the District.

Sick and Personal Leave Superintendent and Administrative Staff

Administrative employees are allowed 12 days of sick leave and two days personal leave per year. Supervisors and secretaries employed less than 12 months or on a part time basis have the sick leave prorated up to one-day sick leave for each contracted month of which two may be used for personal leave.

Non-custodial employees may accumulate up to 90 days (or 720 hours, depending on whether employee is salary or hourly) of unused sick leave. Unused personal leave may be accumulated as sick leave subject to the 90-day limit.

Bus drivers, cooks, and aides are allowed nine days of sick leave per year of which two days may be used for personal leave. Bus drivers, cooks, and aides may accumulate up to 90 days of unused sick leave. Unused personal leave may be accumulated as sick leave subject to the 90-day limit.

If an employee leaves the employment of the District for any reason (other than a certified teacher retiring under KPERS, with at least 20 years' service to the District), no payment will be made for unused sick leave.

Note 6: Compensated Absences (Continued)

Leave - Teachers

Teachers are granted eleven (11) days of Leave plus two (2) days of bereavement per year. Leave is cumulative to a maximum of 100 days, the next year's allowance of eleven (11) days will be added to that 100 days cumulative to a maximum of 111 days. Leave days subject to the teacher receiving his/her "full daily pay" amount less sub deduction will still be deducted from the teacher's accumulated leave balance.

Upon completion of the contract year and pursuant to a request submitted by the teacher, the District will reimburse the teacher under the following conditions for the number of leave days which have not been used. Except for part time teachers, payment will not be made for fractional days. Before being eligible for buy back, the teacher must have a minimum of 20 days accumulated to carry over to the next contract year (any days in excess of 20 days may be sold back). Teachers who are retiring will be allowed to sell back all accumulated leave.

1. The Board shall honor such requests not to exceed a total expenditure of $30,000 (the $30,000 includes all teachers eligible for buy back under district policy).
2. The District will divide $30,000 by the total number of days submitted for buy back. The quotient shall become the daily reimbursement up to a maximum of $90 per day.
3. A buy back form will be distributed by May 15 of the contract year. The employee will submit the completed buy back form to the District Office no later than the last contract day.

Bereavement Leave

All employees are allowed two days bereavement leave per year which may not be accumulated.

Note 7: Other Post-Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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

Note 8: Defined Benefit Pension Plan

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

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

Note 8: Defined Benefit Pension Plan (Continued)

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. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

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

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 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 $1,080,324 for the year ended June 30, 2024.

Net Pension Liability: At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $9,532,835. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 9: Risk Management

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; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10: Compliance with Financial-Related Legal and Contractual Provisions

Funds with Deficit Unencumbered Cash Balance - Generally, school districts are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A 12-1663 provides an exception for those funds which are to be financed by Federal government sources and other grants and gifts. This exception allows these funds to expend in excess of currently available resources with the expectation that the District will be reimbursed for qualifying grant expenditures.

The Federal Funds fund had a deficit cash balance as of June 30, 2024. However this fund is financed by State and Federal funding for which the District is expecting reimbursement of qualifying grant expenditures and qualifies for exception under K.S.A. 12-1663.

Note 11: Subsequent Events

The District evaluated subsequent events through September 5, 2024, the date the financial statement is available to be issued.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2024

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)
Governmental Type Funds						
General Funds						
General	$ 10,678,714	$ (347,027)	$ 174,607	$ 10,506,294	$ 10,506,294	$ -
Supplemental General	3,404,150	(72,157)	-	3,331,993	3,331,993	-
Special Purpose Funds						
Federal Funds	659,457	-	-	659,457	599,924	(59,533)
Preschool Aged at Risk Fund	120,000	-	-	120,000	66,554	(53,446)
At Risk (K-12) Fund	944,355	-	-	944,355	728,859	(215,496)
Bilingual Education Fund	9,400	-	-	9,400	7,480	(1,920)
Virtual Education Fund	44,400	-	-	44,400	17,000	(27,400)
Capital Outlay Fund	3,235,000	-	-	3,235,000	1,755,617	(1,479,383)
Food Service Fund	1,040,432	-	-	1,040,432	896,171	(144,261)
Professional Development Fund	86,500	-	-	86,500	60,326	(26,174)
Parents Education Fund	95,000	-	-	95,000	73,208	(21,792)
Special Education Fund	2,164,391	-	-	2,164,391	2,160,787	(3,604)
Career and Postsecondary Education Fund	569,750	-	-	569,750	427,634	(142,116)
KPERS Special Retirement Contribution Fund	1,300,623	-	-	1,300,623	1,080,324	(220,299)
Bond and Interest Fund						
Bond and Interest Fund	2,503,517	-	-	2,503,517	2,503,517	-
Total of all Funds	$ 26,855,689	$ (419,184)	$ 174,607	$ 26,611,112	$ 24,215,688	$ (2,395,424)

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
General State Aid	$ 9,094,501	$ 9,310,154	$ (215,653)
Special Education	1,237,186	1,368,560	(131,374)
Student activities	6,875	-	6,875
Reimbursements	189,944	-	189,944
Total Cash Receipts	$ 10,528,506	$ 10,678,714	$ (150,208)
EXPENDITURES			
Instruction	$ 5,707,052	$ 8,595,799	$ (2,888,747)
Student support services	255,029	-	255,029
Instructional support staff	381,793	-	381,793
General administration	466,239	-	466,239
School administration	776,530	-	776,530
Central services	43,377	-	43,377
Operations and maintenance	230,061	-	230,061
Transportation services	678,117	-	678,117
Transfers out	1,968,096	2,082,915	(114,819)
Adjustment to comply with legal maximum	-	(347,027)	347,027
Adjustments for qualifying budget credits	-	174,607	(174,607)
Total Expenditures	$ 10,506,294	$ 10,506,294	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 22,212		
UNENCUMBERED CASH - BEGINNING	-		
PRIOR PERIOD ADJUSTMENT	(22,212)		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem taxes	$ 1,179,896	$ 24,765	$ 1,155,131
Delinquent taxes	27,970	16,803	11,167
Motor and recreational vehicle	128,573	119,704	8,869
Commercial vehicle	4,499	2,195	2,304
Supplemental state aid	1,992,865	2,036,022	(43,157)
Total Cash Receipts	$ 3,333,803	$ 2,199,489	$ 1,134,314
EXPENDITURES			
Instruction	$ 271,023	$ 1,702,348	$ (1,431,325)
Instructional support staff	119,953	-	119,953
Central services	49,530	-	49,530
Operations and maintenance	1,472,677	-	1,472,677
Transfers out	1,418,810	1,701,802	(282,992)
Adjustment to comply to legal max	-	(72,157)	72,157
Total Expenditures	$ 3,331,993	$ 3,331,993	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,810		
UNENCUMBERED CASH - BEGINNING	186,283		
PRIOR PERIOD ADJUSTMENT	(60,980)		
UNENCUMBERED CASH - ENDING	$ 127,113		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
FEDERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Title I	$ 125,654	$ 114,356	$ 11,298
Title II	24,562	24,562	-
Title IV	15,954	15,954	-
ESSER III	508,597	726,104	(217,507)
KDHE	185,536	70,000	115,536
Total Cash Receipts	$ 860,303	$ 950,976	$ (90,673)
EXPENDITURES			
Instruction	$ 449,998	$ 659,457	$ (209,459)
Student support	100,305	-	100,305
Instructional support	7,577	-	7,577
General administration	3,241	-	3,241
School administration	10,783	-	10,783
Operations and maintenance	8,622	-	8,622
Student transportation services	9,160	-	9,160
Food service	10,238	-	10,238
Total Expenditures	$ 599,924	$ 659,457	$ (59,533)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 260,379		
UNENCUMBERED CASH - BEGINNING	(292,737)		
PRIOR PERIOD ADJUSTMENT	(17,940)		
UNENCUMBERED CASH - ENDING	$ (50,298)		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
PRESCHOOL-AGED AT-RISK
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Transfers in	$ 75,000	$ 100,000	$ (25,000)
EXPENDITURES			
Instruction	$ 66,554	$ 120,000	$ (53,446)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 8,446		
UNENCUMBERED CASH - BEGINNING	(3,766)		
UNENCUMBERED CASH - ENDING	$ 4,680		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
AT-RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Transfers in	$ 898,336	$ 943,795	$ (45,459)
EXPENDITURES			
Instruction	$ 728,859	$ 944,355	$ (215,496)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 169,477		
UNENCUMBERED CASH - BEGINNING	342,458		
PRIOR PERIOD ADJUSTMENT	(7,193)		
UNENCUMBERED CASH - ENDING	$ 504,742		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Transfers in	$ 1,666	$ 1,362	$ 304
EXPENDITURES			
Instruction	$ 7,480	$ 9,400	$ (1,920)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (5,814)		
UNENCUMBERED CASH - BEGINNING	31,714		
UNENCUMBERED CASH - ENDING	$ 25,900		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Transfers in	$ 20,000	$ 36,000	$ (16,000)
EXPENDITURES			
Instruction	$ 17,000	$ 44,400	$ (27,400)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,000		
UNENCUMBERED CASH - BEGINNING	(390)		
UNENCUMBERED CASH - ENDING	$ 2,610		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem property taxes	$ 433,106	$ 421,124	$ 11,982
Delinquent tax	8,204	5,398	2,806
Motor and recreational vehicle	36,407	34,025	2,382
Commercial vehicle	1,404	624	780
State aid	287,496	287,507	(11)
Interest on idle funds	391,751	300,000	91,751
Miscellaneous	13,318	80,000	(66,682)
Total Cash Receipts	$ 1,171,686	$ 1,128,678	$ 43,008
EXPENDITURES			
Instruction	$ -	$ 200,000	$ (200,000)
Instructional support staff	-	205,000	(205,000)
Operations and maintenance	1,214,655	330,000	884,655
Student transportation	342,866	220,000	122,866
Facility acquisition and construction	198,096	2,280,000	(2,081,904)
Total Expenditures	$ 1,755,617	$ 3,235,000	$ (1,479,383)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (583,931)		
UNENCUMBERED CASH - BEGINNING	2,202,831		
PRIOR PERIOD ADJUSTMENT	(31,793)		
UNENCUMBERED CASH - ENDING	$ 1,587,107		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Food service program	$ 387,002	$ 559,132	$ (172,130)
State aid	7,102	5,742	1,360
Federal aid	360,067	434,577	(74,510)
Transfers in	-	10,000	(10,000)
Total Cash Receipts	$ 754,171	$ 1,009,451	$ (255,280)
EXPENDITURES			
Food service operations	$ 896,171	$ 1,040,432	$ (144,261)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (142,000)		
UNENCUMBERED CASH - BEGINNING	422,876		
PRIOR PERIOD ADJUSTMENT	(887)		
UNENCUMBERED CASH - ENDING	$ 279,989		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 7,710	$ 11,250	$ (3,540)
Transfers in	115,000	75,000	40,000
Total Cash Receipts	$ 122,710	$ 86,250	$ 36,460
EXPENDITURES			
Instructional support staff	$ 60,326	$ 86,500	$ (26,174)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 62,384		
UNENCUMBERED CASH - BEGINNING	(56,174)		
PRIOR PERIOD ADJUSTMENT	(2,431)		
UNENCUMBERED CASH - ENDING	$ 3,779		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 47,100	$ 44,000	$ 3,100
Miscellaneous	2,778	-	2,778
Transfers in	-	50,000	(50,000)
Total Cash Receipts	$ 49,878	$ 94,000	$ (44,122)
EXPENDITURES			
Student support services	$ 71,846	$ 71,713	$ 133
Instructional support services	1,362	23,287	(21,925)
Total Expenditures	$ 73,208	$ 95,000	$ (21,792)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (23,330)		
UNENCUMBERED CASH - BEGINNING	41,558		
UNENCUMBERED CASH - ENDING	$ 18,228		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Miscellaneous	$ 3,619	$ -	$ 3,619
Federal Aid	22,153	-	22,153
Transfers in	1,737,186	2,068,560	(331,374)
Total Cash Receipts	$ 1,762,958	$ 2,068,560	$ (305,602)
EXPENDITURES			
Instruction	$ 1,960,697	$ 1,974,741	$ (14,044)
Student transportation	200,090	189,650	10,440
Total Expenditures	$ 2,160,787	$ 2,164,391	$ (3,604)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (397,829)		
UNENCUMBERED CASH - BEGINNING	849,785		
PRIOR PERIOD ADJUSTMENT	(3,960)		
UNENCUMBERED CASH - ENDING	$ 447,996		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Miscellaneous	$ 6,994	$ -	$ 6,994
Transfers in	488,565	500,000	(11,435)
Total Cash Receipts	$ 495,559	$ 500,000	$ (4,441)
EXPENDITURES			
Instruction	$ 427,634	$ 569,750	$ (142,116)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 67,925		
UNENCUMBERED CASH - BEGINNING	(60,512)		
PRIOR PERIOD ADJUSTMENT	(392)		
UNENCUMBERED CASH - ENDING	$ 7,021		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State aid	$ 1,080,324	$ 1,300,623	$ (220,299)
EXPENDITURES			
Instruction	$ 732,601	$ 900,623	$ (168,022)
Student support	44,690	50,000	(5,310)
Instructional support	40,982	50,000	(9,018)
General administration	42,584	50,000	(7,416)
School administration	84,543	100,000	(15,457)
Operations and maintenance	59,822	60,000	(178)
Student transportation services	45,302	50,000	(4,698)
Food service	29,800	40,000	(10,200)
Total Expenditures	$ 1,080,324	$ 1,300,623	$ (220,299)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2024

CASH RECEIPTS		
State aid	$	68,356
Miscellaneous		16,540
Total Cash Receipts	$	84,896
EXPENDITURES		
Instruction	$	21,544
Student support services		68,356
Total Expenditures	$	89,900
RECEIPTS OVER (UNDER) EXPENDITURES	$	(5,004)
UNENCUMBERED CASH - BEGINNING		39,018
PRIOR PERIOD ADJUSTMENT		(1,432)
UNENCUMBERED CASH - ENDING	$	32,582

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2024

CASH RECEIPTS	
Transfers in	$ 51,153
EXPENDITURES	
Instruction	$ 1,415
RECEIPTS OVER (UNDER) EXPENDITURES	$ 49,738
UNENCUMBERED CASH - BEGINNING	526,992
UNENCUMBERED CASH - ENDING	$ 576,730

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
STUDENT MATERIAL REVOLVING/TEXTBOOK RENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2024

CASH RECEIPTS		
Other Sources		
Fees	$	70,502
EXPENDITURES		
Instruction	$	36,487
RECEIPTS OVER (UNDER) EXPENDITURES	$	34,015
UNENCUMBERED CASH - BEGINNING		59,372
PRIOR PERIOD ADJUSTMENT		(21,780)
UNENCUMBERED CASH - ENDING	$	71,607

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
CAPITAL IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2024

CASH RECEIPTS	
Interest	$ 7,013
EXPENDITURES	
Capital improvements	$ 41,628
RECEIPTS OVER (UNDER) EXPENDITURES	$ (34,615)
UNENCUMBERED CASH - BEGINNING	575,316
PRIOR PERIOD ADJUSTMENT	(16,775)
UNENCUMBERED CASH - ENDING	$ 523,926

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Ad valorem property	$ 1,700,980	$ 1,654,860	$ 46,120
Delinquent	38,849	24,011	14,838
Motor and recreational vehicle	181,025	168,635	12,390
Commercial vehicle taxes	6,406	3,093	3,313
State aid	947,778	947,778	-
Total Cash Receipts	$ 2,875,038	$ 2,798,377	$ 76,661
EXPENDITURES			
Principal	$ 1,120,000	$ 1,120,000	$ -
Interest	1,383,517	1,383,517	-
Total Expenditures	$ 2,503,517	$ 2,503,517	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 371,521		
UNENCUMBERED CASH - BEGINNING	2,801,195		
UNENCUMBERED CASH - ENDING	$ 3,172,716		

UNIFIED SCHOOL DISTRICT NO. 323
AGENCY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CASH BALANCE
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Cash Balance	Cash Receipts	Cash Disbursed	Ending Cash Balance
Rock Creek High School				
Clay Shooting	$ 17,707	$ 97,605	$ 91,537	$ 23,775
Forensics	1,004	5,918	4,489	2,433
Art Club	(1,965)	3,995	2,030	-
FBLA	3,104	1,592	3,070	1,626
Cheerleaders	(125)	10,726	9,440	1,161
Robotics	2,641	2,382	2,661	2,362
Softball	11,111	28,909	25,072	14,948
Class of 2024	1,785	6,751	7,758	778
Class of 2025	531	12,059	10,861	1,729
Class of 2026	155	250	74	331
Class of 2027	294	433	294	433
Concessions	9,480	71,494	69,442	11,532
Play/Musical	2,715	32,262	29,223	5,754
Building Fund	(371)	17,777	11,714	5,692
Dance Team	(1,298)	19,508	16,852	1,358
FFA	5,645	31,851	33,505	3,992
FCCLA	2,189	5,121	3,262	4,048
Band Trip	7,753	6,674	6,012	8,415
National Honor Society	1,653	2,451	1,657	2,446
Volleyball	4,519	607	576	4,551
Honor Guard	904	-	758	146
Sales tax	529	22,828	23,015	342
Scholar's Bowl	1,209	-	-	1,209
Senior High Student Council	2,925	2,146	2,481	2,590
Renaissance Fund	653	6,378	6,127	904
Spanish	808	-	-	808
Yearbook	5,193	14,576	16,406	3,363
Vocal Music	1,409	9,887	8,443	2,853
SB/BB Camp	460	18,009	17,963	506
Special Ed	649	1,187	1,276	560
Wrestling	125	-	-	125
Cross Country	1,358	-	-	1,358
Girls Basketball	8,706	636	3,926	5,416
Boys Basketball	7,905	29,550	28,187	9,268
Track	509	-	-	509
Help Fund	2,344	2,775	1,135	3,984
Baseball	2,745	26,208	18,893	10,060
Yellow Ribbon	1,300	523	979	844
Football	18,609	10,835	19,835	9,609
HOSA	-	6,078	4,242	1,836
Boys Golf	-	1,304	-	1,304
Enrollment	875	11,640	12,515	-
Food Service	-	30,754	30,754	-
Petty cash	1,500	5,386	5,386	1,500
Total Rock Creek High School	$ 129,242	$ 559,065	$ 531,850	$ 156,458

(Continued)

UNIFIED SCHOOL DISTRICT NO. 323
AGENCY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CASH BALANCE (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Cash Balance	Cash Receipts	Cash Disbursed	Ending Cash Balance
Rock Creek Middle School				
Cheer	$ 3,252	$ 2,698	$ 2,662	$ 3,288
Concessions	-	230	125	105
Building fund	(799)	12,249	12,519	(1,069)
Volleyball	76	3,884	3,471	489
Sales tax	1,402	1,115	3,091	(574)
Scholar's Bowl	50	9	59	-
Student Council	3,977	1,197	255	4,919
Football	-	970	-	970
Sunshine Club	990	694	931	753
Yearbook	-	1,598	1,166	432
Enrollment	-	6,383	5,994	389
Food Service	-	57,745	57,745	-
Petty cash	1,500	310	310	1,500
Total Rock Creek Middle School	$ 10,448	$ 89,082	$ 88,328	$ 11,202
St. George Grade School				
Student Activities	$ (389)	$ 24,924	$ 11,912	$ 12,623
Art Club	1,516	2,039	749	2,806
Natl. Honor Choir	5,071	557	4,248	1,380
Lego Club	-	1,388	1,313	75
Library	2,657	9,400	7,669	4,388
Box Tops for Education	1,744	2,237	3,219	762
Sales tax	198	356	494	60
Enrollment	-	38,340	38,340	-
Food Service	-	26,718	26,668	50
Petty cash	1,000	-	-	1,000
Total St. George Grade School	$ 11,797	$ 105,959	$ 94,612	$ 23,144
Westmoreland Grade School				
Student Activities	$ 10,563	$ 4,024	$ 2,040	$ 12,547
Library	2,073	2,379	3,751	701
Enrollment	-	9,640	8,640	1,000
Food Service	-	6,247	6,247	-
Petty Cash	1,000	-	-	1,000
Total Westmoreland Grade School	$ 13,636	$ 22,290	$ 20,678	$ 15,248
Total Agency Funds	$ 165,123	$ 776,396	$ 735,468	$ 206,052

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 323
DISTRICT ACTIVITIES FUND
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance Unencumbered Cash Balance
Gate Receipts							
Rock Creek High School	$ 37,912	$ -	$ 89,116	$ 122,087	$ 4,941	$ -	$ 4,941
Rock Creek Middle School	(1,010)	-	44,065	31,662	11,393	-	11,393
Total District Activity Funds	$ 36,902	$ -	$ 133,181	$ 153,749	$ 16,334	$ -	$ 16,334

VARNEY
& ASSOCIATES, CPAs, LLC

September 5, 2024

Board of Education
Unified School District No. 323
St. George, Kansas

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 323 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated September 5, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and Other Matters

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

Purpose of this Report

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

September 5, 2024

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 323
St. George, Kansas

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance In Accordance With the Uniform Guidance

Unmodified Opinions

We have audited Unified School District No. 323's (the District), 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 District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Unmodified Opinions

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the 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.

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Auditor's Responsibilities for the Audit of Compliance (Continued)

In performing an audit in accordance with GAAS, *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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

This 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. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	DO323	$ 48,007
Section 4	10.555	DO323	264,291
Summer Food Service Program	10.559	DO323	39,565
Total Child Nutrition Cluster			$ 351,863
Local Food for Schools	10.185	DO323	$ 8,204
Total U.S. Department of Agriculture			$ 360,067
U.S. Department of Education			
Passed through Kansas Department of Education			
Title I	84.010	DO323	$ 125,835
Title IIA Teacher Quality	84.367A	DO323	24,717
Title IVA Student Support & Academic Enrichment	84.424	DO323	17,089
COVID-19 - Elementary and Secondary School Emergency Relief II	84.425D	DO323	22,153
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	DO323	349,497
Total U.S. Department of Education			$ 539,291
U.S. Department of Health & Human Services			
Passed through Kansas Department of Education			
COVID-19 - KSDE K-12 COVID Testing Grant	93.323	DO323	$ 82,784
TOTAL FEDERAL EXPENDITURES			$ 982,142

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024

Note 1: Basis of Presentation

The accompanying Schedule is presented using the regulatory basis of accounting, which is described in Note 1 of the District's basic financial statement. The information in the 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 financial position, changes in net assets, or cash flows of the District.

Note 2: Non-Cash Assistance, Insurance and Loans

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

Note 3: Indirect Cost Rate

The District has not elected to use the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414 for reporting costs charged to federal award programs.

UNIFIED SCHOOL DISTRICT NO. 323
St. George, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statement noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	___ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number
Child Nutrition Cluster	10.553/10.555/10.559
COVID-19 - Elementary and Secondary School Emergency Relief	84.425D and 84.425U

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

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

There were no current year findings or questioned costs.

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.

Section IV - Prior Audit Findings

Finding 2023-01. Corrective action was implemented.