UNIFIED SCHOOL DISTRICT NO. 232

DeSoto, 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. 232
DeSoto, Kansas
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November 13, 2024

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 232
DeSoto, 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 Unified School District No. 232 (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 they 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 November 13, 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. 232
DeSoto, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General Fund	$ -	$ -	$ 53,082,312	$ 53,082,312	$ -	$ 5,040,759	$ 5,040,759
Supplemental General Fund	1,018,282	-	17,443,256	17,672,721	788,817	1,179,328	1,968,145
Special Purpose Funds							
Preschool-Aged At-Risk Fund	104,472	-	147,000	146,920	104,552	22,316	126,868
At-Risk (K-12) Fund	132,636	-	3,188,989	3,062,377	259,248	304,701	563,949
Bilingual Education Fund	32,657	-	688,177	688,418	32,416	104,327	136,743
Virtual Education Fund	42,000	-	134,713	136,063	40,650	-	40,650
Capital Outlay Fund	11,506,103	19,079	10,358,613	12,297,969	9,585,826	2,392,980	11,978,806
Drivers Training Fund	27,861	-	27,120	13,695	41,286	-	41,286
Food Service Fund	2,104,099	-	4,108,640	4,388,391	1,824,348	205,466	2,029,814
Professional Development Fund	116,073	-	221,866	221,878	116,061	14,119	130,180
Parent Education Fund	16,693	-	203,992	203,920	16,765	-	16,765
Special Education Fund	1,001,151	-	16,155,524	16,154,397	1,002,278	1,867,244	2,869,522
Cost of Living Fund	149,015	-	2,660,604	2,783,326	26,293	-	26,293
Career and Postsecondary Education Fund	156,118	-	2,358,442	2,357,868	156,692	333,917	490,609
Gifts and Grants Fund	131,161	-	127,547	105,533	153,175	1,549	154,724
KPERS Special Contribution Fund	-	-	7,230,464	7,230,464	-	-	-
Special Assessment Fund	25,168	-	158,864	167,939	16,093	-	16,093
Title I Fund	-	-	152,777	152,777	-	-	-
Title II-A - Teacher Quality Fund	5,466	-	94,308	99,774	-	-	-
Title III-A - English Acquisition Fund	(652)	-	21,804	21,152	-	-	-
Title IV - Safe/Drug Free Fund	1,628	-	16,466	18,094	-	-	-
ESSER Fund	(440,959)	-	2,879,814	2,438,855	-	92,275	92,275
Contingency Reserve Fund	2,800,000	-	-	-	2,800,000	-	2,800,000
Textbook Student Materials Fund	1,677,147	-	868,291	683,645	1,861,793	86,246	1,948,039
Special Reserve Fund	1,879,602	-	6,042,835	6,234,994	1,687,443	-	1,687,443
KDHE Grant Fund	(183,496)	-	309,136	125,640	-	-	-
District Activities Fund	863,129	-	2,804,825	2,665,725	1,002,229	-	1,002,229

(Continued)

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

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
Bond and Interest Fund							
Bond and Interest Fund	$ 22,195,020	$ -	$ 21,951,470	$ 27,662,269	$ 16,484,221	$ -	$ 16,484,221
Capital Project Fund							
Capital Projects Fund	2,398,523	-	26,062	2,424,063	522	-	522
Total Reporting Entity (Excluding Agency Funds)	$ 47,758,897	$ 19,079	$ 153,463,911	$ 163,241,179	$ 38,000,708	$ 11,645,227	$ 49,645,935

Composition of Cash	
Checking	$ 220,508
Kansas Municipal Investment Pool	49,921,260
Total Cash	$ 50,141,768
Less: Agency funds per Schedule 3	(495,833)
Total Reporting Entity (Excluding Agency Funds)	$ 49,645,935

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

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2024

Note 1: Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 232 (the District), is a municipal corporation governed by an elected seven member Board. This financial statement includes all the funds for which the District is considered to be financially accountable. The District has no related municipal entities.

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.

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.).

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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, trust and agency funds, and the following special purpose funds:

Title I	ESSER	KDHE Grant
Title II-A Teacher Quality	Contingency Reserve	District Activity
Title III-A English Acquisition	Textbook Student Materials Revolving	
Title IV Safe/Drug Free	Special Reserve	

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

Note 2: Deposits and Investments

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

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

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

Note 2: Deposits and Investments (Continued)

At June 30, 2024, the District had invested $49,921,260 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

The following is a summary of the District's investments:

		Investment Maturities (in Years)	
Investment Type	**Fair Value**	**Less than 1**	**1 - 2**
Kansas Municipal Investment Pool	$ 49,921,260	$ 49,921,260	$ -

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

Investment Type	**Percent of Investment**
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $220,508 and the bank balance was $2,506,752. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the District's name with a fair value of $5,332,912.

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

Note 3: Compensated Absences

Vacation time off with pay is available to eligible employees who work a 250 day contract. Upon employment in an eligible position and continuing through 5 consecutive years of employment, the employee is entitled to 10 vacation days each year, accrued monthly.

Beginning on the anniversary of the 6th year of employment, the employee is entitled to 15 vacation days, accrued monthly. Vacation days are noncumulative to the next year.

The District grants all eligible employees short term leave at the rate of one day, equal to the hours worked per day, for every full month of service. In the event of termination or retirement, certified employees are compensated for unused short term leave at a rate of $40.00 per day. Classified employees, who give a two week notice of their resignation, are compensated for unused short term leave at a rate of $20.00 per day.

Note 4: Defined Benefit Pension Plan

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

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

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

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. 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 paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

Note 4: Defined Benefit Pension Plan (Continued)

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

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 $7,230,464 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 $66,784,242. 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 5: Risk Management

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

Note 6: Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statement of the District at June 30, 2024.

Note 7: Interfund Transfers

The District made the following operating transfers during the fiscal year. The transfers were approved by the Board of Education.

Fund From	Fund To	Statutory Authority	Amount
General	Preschool-Aged At-Risk	K.S.A. 72-5167	$ 137,000
General	At-Risk (K-12)	K.S.A. 72-5167	2,294,688
General	Bilingual Education	K.S.A. 72-5167	188,000
General	Virtual Education	K.S.A. 72-5167	133,020
General	Parent Education	K.S.A. 72-5167	28,992
General	Special Education	K.S.A. 72-5167	7,457,820
General	Career and Postsecondary Education	K.S.A. 72-5167	640,000
Supplemental General	Preschool-Aged At-Risk	K.S.A. 72-5143	10,000
Supplemental General	At-Risk (K-12)	K.S.A. 72-5143	888,391
Supplemental General	Bilingual Education	K.S.A. 72-5143	500,177
Supplemental General	Professional Development	K.S.A. 72-5143	188,700
Supplemental General	Parent Education	K.S.A. 72-5143	53,590
Supplemental General	Special Education	K.S.A. 72-5143	6,827,211
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	1,654,219
Supplemental General	Textbook Student Materials Revolving	K.S.A. 72-5143	250,000
	Total Transfers		$ 21,251,808

Note 8: Other Post-Employment Benefits

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

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

Note 9: Subsequent Events

The District evaluated subsequent events through November 13, 2024, the date the financial statement is available to be issued.

Note 10: Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year:

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 2015-A	1.63%	01/28/15	$ 26,950,000	9/1/2023	$ 2,875,000	$ -	$ 2,875,000	$ -	$ 28,750
Series 2015-B	3.01%	06/18/15	53,415,000	9/1/2035	27,970,000	-	13,830,000	14,140,000	916,956
Series 2019-A	2.43%	06/20/19	48,780,000	9/1/2039	47,845,000	-	1,025,000	46,820,000	1,943,225
Series 2020-A	1.92%	06/18/20	35,000,000	9/1/2040	35,000,000	-	-	35,000,000	893,800
Series 2020-B	1.54%	06/18/20	18,605,000	9/1/2035	17,930,000	-	200,000	17,730,000	484,050
Series 2021	1.22%	06/03/21	15,000,000	9/1/2035	15,085,000	-	5,085,000	10,000,000	380,488
Total Long-Term Debt					$ 146,705,000	$ -	$ 23,015,000	$ 123,690,000	$ 4,647,269

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

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2041	Total
Principal									
Series 2015-B	$ 1,860,000	$ 1,705,000	$ 1,740,000	$ 1,775,000	$ 1,570,000	$ 5,490,000	$ -	$ -	$ 14,140,000
Series 2019-A	2,930,000	3,325,000	3,525,000	3,785,000	4,250,000	13,420,000	12,790,000	2,795,000	46,820,000
Series 2020-A	1,610,000	1,655,000	1,705,000	1,760,000	1,810,000	9,900,000	11,475,000	5,085,000	35,000,000
Series 2020-B	1,225,000	1,275,000	1,300,000	1,350,000	1,400,000	7,745,000	3,435,000	-	17,730,000
Series 2021	620,000	645,000	670,000	700,000	725,000	4,030,000	2,610,000	-	10,000,000
	$ 8,245,000	$ 8,605,000	$ 8,940,000	$ 9,370,000	$ 9,755,000	$ 40,585,000	$ 30,310,000	$ 7,880,000	$ 123,690,000
Interest									
Series 2015-B	$ 767,131	$ 698,931	$ 630,206	$ 577,481	$ 526,325	$ 1,732,415	$ 167,747	$ -	$ 5,100,236
Series 2019-A	1,844,350	1,687,975	1,516,725	1,333,975	1,133,100	3,424,600	1,401,750	41,925	12,384,400
Series 2020-A	869,650	820,675	770,275	718,300	664,750	2,463,050	1,141,428	108,854	7,556,982
Series 2020-B	462,675	425,175	386,550	346,800	305,550	864,975	69,150	-	2,860,875
Series 2021	266,388	241,088	214,788	187,387	158,887	410,373	64,706	-	1,543,617
	$ 4,210,194	$ 3,873,844	$ 3,518,544	$ 3,163,943	$ 2,788,612	$ 8,895,413	$ 2,844,781	$ 150,779	$ 29,446,110

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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	$ 54,382,611	$ (1,391,941)	$ 91,642	$ 53,082,312	$ 53,082,312	$ -
Supplemental General	18,136,955	(464,234)	-	17,672,721	17,672,721	-
Special Purpose Funds						
Preschool-Aged At-Risk Fund	213,293	-	-	213,293	146,920	(66,373)
At-Risk (K-12) Fund	3,074,546	-	-	3,074,546	3,062,377	(12,169)
Bilingual Education Fund	853,600	-	-	853,600	688,418	(165,182)
Virtual Education	183,000	-	-	183,000	136,063	(46,937)
Capital Outlay Fund	21,360,624	-	-	21,360,624	12,297,969	(9,062,655)
Driver Training Fund	68,050	-	-	68,050	13,695	(54,355)
Food Service Fund	6,073,824	-	-	6,073,824	4,388,391	(1,685,433)
Professional Development Fund	230,670	-	-	230,670	221,878	(8,792)
Parent Education Fund	245,103	-	-	245,103	203,920	(41,183)
Special Education Fund	16,740,651	-	-	16,740,651	16,154,397	(586,254)
Cost of Living Fund	2,783,326	-	-	2,783,326	2,783,326	-
Career and Postsecondary Education Fund	2,357,868	-	-	2,357,868	2,357,868	-
Gifts and Grants Fund	131,161	-	-	131,161	105,533	(25,628)
Kansas Special Retirement Contribution Fund	7,943,741	-	-	7,943,741	7,230,464	(713,277)
Special Assessment Fund	185,540	-	-	185,540	167,939	(17,601)
Bond and Interest Fund						
Bond and Interest Fund	27,662,375	-	-	27,662,375	27,662,269	(106)
Total of all Funds	$ 162,626,938	$ (1,856,175)	$ 91,642	$ 160,862,405	$ 148,376,460	$ (12,485,945)

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Reimbursed Expenditures	$ 91,642	$ -	$ 91,642
State Sources			
State aid	52,990,670	54,382,611	(1,391,941)
Total Receipts	$ 53,082,312	$ 54,382,611	$ (1,300,299)
EXPENDITURES			
Instruction	$ 31,182,688	$ 32,266,378	$ (1,083,690)
Student support services	1,132,865	1,016,250	116,615
Instructional support staff	2,395,815	2,567,360	(171,545)
General administration	908,061	871,480	36,581
School administration	3,637,737	3,758,383	(120,646)
Central services	1,117,936	1,117,405	531
Operations and maintenance	1,827,690	1,806,445	21,245
Transfers out	10,879,520	10,978,910	(99,390)
Adjustment to comply with legal maximum	-	(1,391,941)	1,391,941
Legal general fund budget and expenditures	$ 53,082,312	$ 52,990,670	$ 91,642
Adjustments for qualifying budget credits	-	91,642	(91,642)
Total Expenditures	$ 53,082,312	$ 53,082,312	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Ad valorem tax	$ 9,946,043	$ 10,208,857	$ (262,814)
Delinquent tax	29,465	46,779	(17,314)
County Sources			
Motor vehicle tax	915,793	916,072	(279)
Recreational tax	6,779	7,663	(884)
Commercial vehicle tax	32,778	33,863	(1,085)
State Sources			
State aid	6,512,398	6,683,468	(171,070)
Total Cash Receipts	$ 17,443,256	$ 17,896,702	$ (453,446)
EXPENDITURES			
Instruction	$ 399,996	$ 398,712	$ 1,284
Student support services	752,117	898,155	(146,038)
Instructional support staff	5,685	5,790	(105)
General administration	1,041,962	1,060,000	(18,038)
School administration	196,311	197,745	(1,434)
Operations and maintenance	2,479,973	2,794,119	(314,146)
Student transportation	2,424,389	2,783,383	(358,994)
Transfers out	10,372,288	9,999,051	373,237
Adjustment to comply with legal maximum	-	(464,234)	464,234
Total Expenditures	$ 17,672,721	$ 17,672,721	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (229,465)		
UNENCUMBERED CASH - BEGINNING	1,018,282		
UNENCUMBERED CASH - ENDING	$ 788,817		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
PRESCHOOL-AGED AT-RISK 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			
Local Sources			
Miscellaneous	$ -	$ 70,000	$ (70,000)
Other Sources			
Transfers in	147,000	51,000	96,000
Total Cash Receipts	$ 147,000	$ 121,000	$ 26,000
EXPENDITURES			
Instruction	$ 146,920	$ 213,293	$ (66,373)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 80		
UNENCUMBERED CASH - BEGINNING	104,472		
UNENCUMBERED CASH - ENDING	$ 104,552		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Tuition	$ 5,910	$ -	$ 5,910
Other Sources			
Transfers in	3,183,079	2,941,910	241,169
Total Cash Receipts	$ 3,188,989	$ 2,941,910	$ 247,079
EXPENDITURES			
Instruction	$ 2,729,493	$ 2,683,991	$ 45,502
Student support services	328,256	375,555	(47,299)
Other support services	4,628	15,000	(10,372)
Total Expenditures	$ 3,062,377	$ 3,074,546	$ (12,169)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 126,612		
UNENCUMBERED CASH - BEGINNING	132,636		
UNENCUMBERED CASH - ENDING	$ 259,248		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Other Sources			
Transfers in	$ 688,177	$ 820,945	$ (132,768)
EXPENDITURES			
Instruction	$ 688,418	$ 853,600	$ (165,182)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (241)		
UNENCUMBERED CASH - BEGINNING	32,657		
UNENCUMBERED CASH - ENDING	$ 32,416		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Tuition	$ 1,693	$ -	$ 1,693
Other Sources			
Transfers In	133,020	141,000	(7,980)
Total Cash Receipts	$ 134,713	$ 141,000	$ (6,287)
EXPENDITURES			
Instruction	$ 121,119	$ 171,100	$ (49,981)
School administration	14,944	11,900	3,044
Total Expenditures	$ 136,063	$ 183,000	$ (46,937)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,350)		
UNENCUMBERED CASH - BEGINNING	42,000		
UNENCUMBERED CASH - ENDING	$ 40,650		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Ad valorem tax	$ 6,660,519	$ 6,576,831	$ 83,688
Delinquent tax	18,565	30,300	(11,735)
Interest on idle funds	1,258,128	800,000	458,128
Miscellaneous	333,153	335,777	(2,624)
County Sources			
Motor vehicle tax	584,169	591,265	(7,096)
Recreational tax	4,323	4,946	(623)
Commercial vehicle tax	20,919	21,856	(937)
State Sources			
State aid	1,478,837	1,493,546	(14,709)
Total Cash Receipts	$ 10,358,613	$ 9,854,521	$ 504,092
EXPENDITURES			
Instruction	$ 5,109,435	$ 6,400,521	$ (1,291,086)
Student support services	-	9,960,103	(9,960,103)
Operations and maintenance	7,109,964	-	7,109,964
Facility acquisition and construction service	78,570	5,000,000	(4,921,430)
Total Expenditures	$ 12,297,969	$ 21,360,624	$ (9,062,655)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,939,356)		
UNENCUMBERED CASH - BEGINNING	11,506,103		
PLUS: Cancellation of Encumbrances	19,079		
UNENCUMBERED CASH - ENDING	$ 9,585,826		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
DRIVER TRAINING 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			
Local Sources			
Miscellaneous	$ 11,025	$ -	$ 11,025
State Sources			
State aid	16,095	40,500	(24,405)
Total Cash Receipts	$ 27,120	$ 40,500	$ (13,380)
EXPENDITURES			
Instruction	$ 12,229	$ 55,250	$ (43,021)
Operations and maintenance	1,466	12,800	(11,334)
Total Expenditures	$ 13,695	$ 68,050	$ (54,355)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 13,425		
UNENCUMBERED CASH - BEGINNING	27,861		
UNENCUMBERED CASH - ENDING	$ 41,286		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Food service	$ 2,703,230	$ 2,276,950	$ 426,280
Interest on idle funds	529	-	529
Miscellaneous	250	-	250
Reimbursements	9,338	-	9,338
State Sources			
State aid	28,839	33,600	(4,761)
Federal Sources			
Federal aid	1,366,454	1,659,175	(292,721)
Total Cash Receipts	$ 4,108,640	$ 3,969,725	$ 138,915
EXPENDITURES			
Food service	$ 4,388,391	$ 6,073,824	$ (1,685,433)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (279,751)		
UNENCUMBERED CASH - BEGINNING	2,104,099		
UNENCUMBERED CASH - ENDING	$ 1,824,348		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Miscellaneous	$ 15,500	$ -	$ 15,500
State Sources			
State aid	17,666	14,597	3,069
Other Sources			
Transfers in	188,700	100,000	88,700
Total Cash Receipts	$ 221,866	$ 114,597	$ 107,269
EXPENDITURES			
Instructional support staff	$ 221,878	$ 230,670	$ (8,792)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (12)		
UNENCUMBERED CASH - BEGINNING	116,073		
UNENCUMBERED CASH - ENDING	$ 116,061		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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 Sources			
State aid	$ 121,410	$ 123,410	$ (2,000)
Other Sources			
Transfers in	82,582	105,000	(22,418)
Total Cash Receipts	$ 203,992	$ 228,410	$ (24,418)
EXPENDITURES			
Student support services	$ 203,345	$ 244,603	$ (41,258)
Instructional support staff	575	500	75
Total Expenditures	$ 203,920	$ 245,103	$ (41,183)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 72		
UNENCUMBERED CASH - BEGINNING	16,693		
UNENCUMBERED CASH - ENDING	$ 16,765		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Other	$ 122,506	$ 80,000	$ 42,506
Federal Sources			
Federal aid	1,747,987	1,759,500	(11,513)
Other Sources			
Transfers in	14,285,031	13,900,000	385,031
Total Cash Receipts	$ 16,155,524	$ 15,739,500	$ 416,024
EXPENDITURES			
Instruction	$ 14,221,076	$ 14,844,200	$ (623,124)
Student support services	58,448	18,851	39,597
Instructional support staff	419,284	348,500	70,784
General administration	359,814	365,500	(5,686)
Operations and maintenance	5,815	6,800	(985)
Student transportation	1,089,960	1,156,800	(66,840)
Total Expenditures	$ 16,154,397	$ 16,740,651	$ (586,254)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,127		
UNENCUMBERED CASH - BEGINNING	1,001,151		
UNENCUMBERED CASH - ENDING	$ 1,002,278		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
COST OF LIVING 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			
Local Sources			
Ad valorem tax	$ 2,427,937	$ 22,779	$ 2,405,158
Delinquent tax	7,187	11,281	(4,094)
County Sources			
Motor vehicle tax	216,091	216,202	(111)
Recreational tax	1,597	1,809	(212)
Commercial vehicle tax	7,792	7,993	(201)
Total Cash Receipts	$ 2,660,604	$ 260,064	$ 2,400,540
EXPENDITURES			
Debt service	$ 2,783,326	$ 2,783,326	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (122,722)		
UNENCUMBERED CASH - BEGINNING	149,015		
UNENCUMBERED CASH - ENDING	$ 26,293		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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			
Local Sources			
Other	$ 49,233	$ 155,000	$ (105,767)
State Sources			
State aid	14,990	21,750	(6,760)
Other Sources			
Transfers in	2,294,219	2,025,000	269,219
Total Cash Receipts	$ 2,358,442	$ 2,201,750	$ 156,692
EXPENDITURES			
Instruction	$ 2,357,868	$ 2,357,868	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 574		
UNENCUMBERED CASH - BEGINNING	156,118		
UNENCUMBERED CASH - ENDING	$ 156,692		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
GIFTS AND GRANTS 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			
Local Sources			
Contributions & donations	$ 2,040	$ -	$ 2,040
Other	15,490	-	15,490
State Sources			
State aid	110,017	-	110,017
Total Cash Receipts	$ 127,547	$ -	$ 127,547
EXPENDITURES			
Instruction	$ (31,285)	$ 109,451	$ (140,736)
Instructional support staff	26,801	21,710	5,091
Operations and maintenance	110,017	-	110,017
Total Expenditures	$ 105,533	$ 131,161	$ (25,628)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 22,014		
UNENCUMBERED CASH - BEGINNING	131,161		
UNENCUMBERED CASH - ENDING	$ 153,175		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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 Sources			
State aid	$ 7,230,464	$ 7,943,741	$ (713,277)
EXPENDITURES			
Instruction	$ 5,384,397	$ 5,981,188	$ (596,791)
Student support	311,651	355,470	(43,819)
Instructional support	323,361	370,500	(47,139)
General administration	119,126	150,826	(31,700)
School administration	472,433	469,725	2,708
Central services	123,039	128,682	(5,643)
Operations and maintenance	496,457	487,350	9,107
Total Expenditures	$ 7,230,464	$ 7,943,741	$ (713,277)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
SPECIAL ASSESSMENT 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			
Local Sources			
Ad valorem taxes	$ 152,429	$ 150,295	$ 2,134
Delinquent taxes	353	732	(379)
County Sources			
Motor vehicle taxes	5,735	5,574	161
recreational taxes	38	47	(9)
Commercial vehicle taxes	309	206	103
Total Cash Receipts	$ 158,864	$ 156,854	$ 2,010
EXPENDITURES			
Facility acquisition and construction	$ 167,939	$ 185,540	$ (17,601)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (9,075)		
UNENCUMBERED CASH - BEGINNING	25,168		
UNENCUMBERED CASH - ENDING	$ 16,093		

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
NONBUDGETED FUNDS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Title I	Title II-A Teacher Quality	Title III-A English Acquisition	Title IV Safe Drug Free	ESSER	Contingency Reserve	Textbook Student Materials Revolving	Special Reserve	KDHE Grant
CASH RECEIPTS									
Local Sources									
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ 618,291	$ 6,042,835	$ -
Federal Sources									
Federal aid	152,777	94,308	21,804	16,466	2,879,814	-	-	-	309,136
Other Sources									
Transfers in	-	-	-	-	-	-	250,000	-	-
Total Cash Receipts	$ 152,777	$ 94,308	$ 21,804	$ 16,466	$ 2,879,814	$ -	$ 868,291	$ 6,042,835	$ 309,136
EXPENDITURES									
Instruction	$ 152,777	$ 99,774	$ 21,152	$ 18,094	$ 1,979,740	$ -	$ 683,645	$ 6,234,994	$ -
Student support service	-	-	-	-	289,629	-	-	-	125,640
Instructional support staff	-	-	-	-	169,486	-	-	-	-
Total Expenditures	$ 152,777	$ 99,774	$ 21,152	$ 18,094	$ 2,438,855	$ -	$ 683,645	$ 6,234,994	$ 125,640
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (5,466)	$ 652	$ (1,628)	$ 440,959	$ -	$ 184,646	$ (192,159)	$ 183,496
UNENCUMBERED CASH - BEGINNING	-	5,466	(652)	1,628	(440,959)	2,800,000	1,677,147	1,879,602	(183,496)
UNENCUMBERED CASH - ENDING	$ -	$ -	$ -	$ -	$ -	$ 2,800,000	$ 1,861,793	$ 1,687,443	$ -

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
Emporia, 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			
Local Sources			
Ad valorem taxes	$ 14,547,015	$ 14,340,051	$ 206,964
Delinquent tax	42,958	66,993	(24,035)
Interest on idle funds	542,460	100,000	442,460
County Sources			
Motor vehicle tax	1,334,520	1,335,054	(534)
Recreational vehicle tax	9,890	11,167	(1,277)
Commercial vehicle tax	47,487	49,352	(1,865)
State Sources			
State aid	5,427,140	5,427,140	-
Total Cash Receipts	$ 21,951,470	$ 21,329,757	$ 621,713
EXPENDITURES			
Debt service	$ 27,662,269	$ 27,662,375	$ (106)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (5,710,799)		
UNENCUMBERED CASH - BEGINNING	22,195,020		
UNENCUMBERED CASH - ENDING	$ 16,484,221		

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 232
Emporia, Kansas
CAPITAL PROJECTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2024

CASH RECEIPTS	
Local Sources	
Interest on idle funds	$ 26,062
EXPENDITURES	
Facility acquisition and construction	$ 2,424,063
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,398,001)
UNENCUMBERED CASH - BEGINNING	2,398,523
UNENCUMBERED CASH - ENDING	$ 522

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 232
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
DeSoto High School	$ 144,319	$ 326,033	$ 385,156	$ 85,196
Mill Valley High School	102,621	259,727	234,403	127,945
Millcreek Middle School	33,052	60,189	60,634	32,607
Monticello Trails Middle School	59,214	40,355	43,420	56,149
Lexington Trails Middle School	19,548	21,118	22,373	18,293
Belmont Elementary School	1,187	3,411	3,159	1,439
Clear Creek Elementary School	7,971	13,765	16,440	5,296
Horizon Elementary School	1,412	17,234	17,834	812
Mize Elementary School	20,318	15,429	17,655	18,092
Prairie Ridge Elementary School	9,708	3,948	7,177	6,479
Riverview Elementary School	932	2,272	3,022	182
Cedar Trails Early Childhood	5,033	92,575	90,315	7,293
District Agency Fund	92,393	135,384	91,727	136,050
Total Agency Funds	$ 497,708	$ 991,440	$ 993,315	$ 495,833

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 232
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							
DeSoto High School	$ 120,428	$ -	$ 310,298	$ 281,225	$ 149,501	$ -	$ 149,501
Mill Valley High School	97,012	-	466,905	383,829	180,088	-	180,088
Millcreek Middle School	2,675	-	23,093	19,361	6,407	-	6,407
Monticello Trails Middle School	7,173	-	15,290	18,394	4,069	-	4,069
Lexington Trails Middle School	4,578	-	17,382	16,997	4,963	-	4,963
Subtotal Gate Receipts	$ 231,866	$ -	$ 832,968	$ 719,806	$ 345,028	$ -	$ 345,028
School Projects							
DeSoto High School	$ 139,902	$ -	$ 508,824	$ 501,050	$ 147,676	$ -	$ 147,676
Mill Valley High School	159,554	-	526,821	504,489	181,886	-	181,886
Millcreek Middle School	17,362	-	159,307	154,133	22,536	-	22,536
Monticello Trails Middle School	147,972	-	211,634	210,887	148,719	-	148,719
Lexington Trails Middle School	21,150	-	130,376	131,677	19,849	-	19,849
Belmont Elementary School	17,703	-	44,420	48,172	13,951	-	13,951
Clear Creek Elementary School	17,149	-	89,585	81,455	25,279	-	25,279
Horizon Elementary School	17,121	-	42,479	51,383	8,217	-	8,217
Mize Elementary School	21,284	-	68,615	63,429	26,470	-	26,470
Prairie Ridge Elementary School	9,567	-	49,287	50,317	8,537	-	8,537
Riverview Elementary School	20,615	-	67,495	70,233	17,877	-	17,877
Starside Elementary School	41,884	-	73,014	78,694	36,204	-	36,204
Subtotal School Projects	$ 631,263	$ -	$ 1,971,857	$ 1,945,919	$ 657,201	$ -	$ 657,201
Total District Activity Funds	$ 863,129	$ -	$ 2,804,825	$ 2,665,725	$ 1,002,229	$ -	$ 1,002,229

VARNEY
& ASSOCIATES, CPAs, LLC

November 13, 2024

Board of Education
Unified School District No. 232
DeSoto, 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. 232 (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 November 13, 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

November 13, 2024

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 232
Manhattan, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance

Unmodified Opinions

We have audited De Soto Unified School District No. 232'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.

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 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. 232
DeSoto, 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	DO232	$ 107,884
National School Lunch Program	10.555	DO232	1,007,485
Summer Food Service Program for Children	10.559	DO232	251,085
Total Child Nutrition Cluster			$ 1,366,454
Federal School Food Service	10.560	DO232	283
COVID-19 ARPA - Farm to School Grant	10.645	DO232	250
Total U.S. Department of Agriculture			$ 1,366,987
U.S. Department of Education			
Passed through Kansas Department of Education			
Special Education (IDEA) Cluster			
Special Education Grants to States	84.027	DO232	$ 1,449,520
Special Education Preschool Grants	84.173	DO232	19,019
Total Special Education (IDEA) Cluster)			$ 1,468,539
Title I - Grants to Local Educational Agencies	84.010	DO232	$ 152,777
Career and Technical Education - Basic Grants to States	84.048	DO232	41,417
English Language Acquisition State Grants	84.365	DO232	21,804
Supporting Effective Instruction State Grants	84.367	DO232	94,309
ESSA Student Support Academic Enrichment	84.424	DO232	16,466
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief III	84.425U	DO232	2,438,855
Total U.S. Department of Education			$ 4,234,167
U.S. Department of Health and Human Services			
Passed through Kansas Department of Education			
COVID-19 - KDHE K-12 COVID Testing Grant	93.323	DO232	$ 132,082
TOTAL FEDERAL EXPENDITURES			$ 5,733,236

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024

Note 1: Organization

Unified School District No. 232, DeSoto, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2: Basis of Presentation

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

Note 3: Local Government Contributions

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

Note 4: Additional Audits

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

Note 5: Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2024.

Note 6: Sub-recipient Grants

No federal awards were passed through to subrecipients.

Note 7: Pass-Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 232
DeSoto, 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
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief III	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

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.