Unified School District Number 452

Johnson City, Kansas

FINANCIAL STATEMENT

WITH REGULATORY - REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2023

Dirks, Anthony & Duncan, LLC
Certified Public Accountants
Ulysses, Kansas

Unified School District Number 452
Johnson City, Kansas
Table of Contents
For the Year Ended June 30, 2023

	Page Number
Independent Auditor's Report	1
Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4
Notes to Financial Statement	5
Regulatory Required Supplemental Information	
Schedule 1	
Summary of Expenditures - Actual and Budget (Budgeted Funds Only)	12
Schedule 2	
Schedule of Receipts and Expenditures - Actual and Budget (where applicable)	
General Funds:	
2-1 General Fund	13
2-2 Supplemental General Fund	14
Special Purpose Funds:	
2-3 Preschool-Aged At-Risk Fund	15
2-4 At Risk (K-12) Fund	16
2-5 Bilingual Education Fund	17
2-6 Capital Outlay Fund	18
2-7 Driver Training Fund	19
2-8 Food Service Fund	20
2-9 Professional Development Fund	21
2-10 Special Education Fund	22
2-11 Career and Postsecondary Education Fund	23
2-12 KPERS Special Retirement Contribution Fund	24
2-13 Contingency Reserve Fund	25
2-14 Recreation Fund	26
2-15 Recreation Commission Employee Benefits Fund	27
2-16 State, Federal and Other Grants Fund	28
Trust Fund:	
2-17 Scholarships and Awards Fund	30
Schedule 3	
Schedule of Receipts and Disbursements	
Agency Funds	31
Schedule 4	
Schedule of Receipts, Expenditures and Unencumbered Cash	
District Activity Fund	32
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with *Government Auditing Standards*	34
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	36
Schedule of Expenditures of Federal Awards	39
Notes to Schedule of Expenditures of Federal Awards	40
Schedule of Finding & Questioned Costs	41
Corrective Action Plan	43

Dirks, Anthony & Duncan, LLC
Certified Public Accountants & Management Consultants
104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

INDEPENDENT AUDITOR'S REPORT

Superintendent and Board of Education
Unified School District Number 452
Johnson City, Kansas 67855

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the Unified School District Number 452 which comprise the statement of receipts, expenditures, and unencumbered cash as of June 30, 2023, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Unified School District Number 452, as of June 30, 2023, or changes in net position, or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above present fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District Number 452, as of June 30, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as 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, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Unified School District Number 452, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinions on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District Number 452, on the basis of the financial reporting provisions of *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are 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 Unified School District Number 452'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 double shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District Number 452'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 Unified School District Number 452'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, schedule of receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3, and 4, as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide.* Such information is the responsibility of management and was derived from and relates directly to the underlying

accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Unified School District Number 452 as of and for the year ended June 30, 2022 (not presented herein), and have issued our reported thereon dated October 31, 2022, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link: http://admin.ks.gov/offices/oar/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2022 (Schedule 2 as listed in the table of contents) is presented for the purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Unified School District Number 452's basic financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 3, 2023, on our consideration of the Unified School District Number 452'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 Unified School District Number 452's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Unified School District Number 452's internal control over financial reporting and compliance.

Dirks, Anthony & Duncan L.L.C

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

November 3, 2023

Unified School District Number 452

Johnson City, Kansas

Summary Statement of Receipts, Expenditures and Unencumbered Cash

Regulatory Basis

For the Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances And Accounts Payable	Ending Cash Balance
General Funds:						
General	$ -	$ 4,190,549	$ 4,190,549	$ -	$ 149,240	$ 149,240
Supplemental General	63,078	1,287,569	1,257,398	93,249	13,960	107,209
Special Purpose Funds:						
Preschool-Aged At-Risk	-	60,000	60,000	-	293	293
At-Risk Fund (K-12)	1	669,454	522,000	147,455	6,043	153,498
Bilingual Education	-	195,000	195,000	-	129	129
Capital Outlay	1,570,464	497,724	281,135	1,787,053	-	1,787,053
Driver Training	2,731	8,285	9,781	1,235	-	1,235
Food Service	86,944	282,197	286,761	82,380	4,172	86,552
Professional Development	5,798	5,645	6,272	5,171	2,244	7,415
Special Education	70,662	452,822	454,673	68,811	-	68,811
Career and Postsecondary Education	-	100,000	100,000	-	937	937
KPERS Special Retirement	-	394,711	394,711	-	-	-
Contingency Reserve	725,675	-	-	725,675	-	725,675
Recreation Commission	-	212,345	212,345	-	-	-
Rec. Comm. Emp. Benefits	1,197	36,031	35,470	1,758	-	1,758
State, Federal and Other Grants	(45,564)	1,053,120	1,048,574	(41,018)	32,416	(8,602)
District Activity	4,023	103,117	103,174	3,966	-	3,966
Trust Fund:						
Scholarship and Awards	1,393	94	-	1,487	-	1,487
	$ 2,486,402	$ 9,548,663	$ 9,157,843	$ 2,877,222	$ 209,434	$ 3,086,656

Composition of Cash:	District Checking	$ 3,081,204
	High School Checking	180,372
	Grade School Checking	5,171
	Total Cash	3,266,747
	Agency Funds per Schedule 3	(180,091)
	Total Reporting Entity (Exluding Agency Funds)	$ 3,086,656

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

UNIFIED SCHOOL DISTRICT NUMBER 452

Johnson City, Kansas
Notes to the Financial Statement
June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

Unified School District Number 452, Johnson City, Kansas, operates as a municipal corporation in accordance with the laws of the State of Kansas. The District is governed by an elected seven-member board. This regulatory financial statement presents Unified School District Number 452 (the District), the municipality but does not include its related municipal entity. The related municipal entity, which was established to benefit the District and/or its constituents, has been elected by the board not to be included in the District's reporting entity.

Related Municipal Entity

1. Recreation Commission – Stanton County Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body, but the USD levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

b) Regulatory Basis Fund Types

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

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

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

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

Business Funds – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

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

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

c) Basis of Accounting

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

d) Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but 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 for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had a budget amendment for Capital Outlay this year.

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

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

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

Contingency Reserve Fund, Scholarships and Awards Fund, and State, Federal and Other Grants Fund.

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

e) Reimbursements

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2023, in the amount of $94,225 is classified as reimbursed expenses in the General Fund. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

NOTE 2 – DEPOSITS AND INVESTMENTS, CONTINUED

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 does not use designated "peak periods".

At June 30, 2023 the carrying amount of the District's deposits, including certificates of deposit, was $3,086,656 and the bank balance was $3,877,233. The entire bank balance was covered by federal depository insurance.

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. The District had no investments of this type at June 30, 2023.

NOTE 3 – RETIREMENT PLAN

General Information about the Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. Seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its 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 before July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contribution 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 14.20% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. The 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 schedule to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

NOTE 3 – RETIREMENT PLAN, CONTINUED

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized 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 rate for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09% to 13.33% and Fiscal Year 2023 from 13.86% to 13.11%. The bond proceeds were received by KEPRS 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 of retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $394,711 for the year ended June 30, 2023.

Net Pension Liability
At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $3,891,676. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contribution to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the 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 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

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

b) *Sick Leave.* Full time certified employees shall be granted seven (7) working days each year at full salary for personal illness, illness of family members, medical and dental appointments. Sick leave shall carryover a maximum of thirty (30) working days for each staff member. Any sick leave days over the thirty (30) days will be reimbursed for each day over the limit at a rate of $100 a day, not to exceed $1,200 attendance bonus. Certified employees using three or less sick days during the school year received a $400 bonus for outstanding attendance.

c) *Personal Leave.* Certified employees shall be allowed five (5) days of personal leave per year. Personal leave is not accumulative. At the end of the school year, the board of education compensates the certified employee for any of the

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS, CONTINUED

personal days not used at the rate of $100 a day.

d) Bereavement Leave. Each certified employee may use his/her accumulated sick leave and his/her extended sick leave for reason of death of a relative of the employee or the employee's spouse. Such use shall be limited to one (1) day annually. More time may be granted upon the discretion of the superintendent. This leave does not carryover each year.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The District has two (4) employees participating in a program which allows the employees to go back to college and complete additional courses in order to be qualified for the position of teacher or nurse. The agreements for the positions state the District will pay a maximum amount of expenses related to the additional education required in the amount of $10,000 for one teacher. In exchange for the District cost supplementing these individuals, the employee must work for the District for a set number of years after achieving the new position, the years are as follows: the teacher must work for the USD for three (3) year from the date they have earned their teaching certificate. The District have three (3) other employees that have participated in this program and have received their certifications and are now completing their time to fulfill the service requirement of the contract. If the number of years' service condition is not met or the employee quits, the employee is required to reimburse the District on a prorated basis for the school expenses.

NOTE 6 – COMPLIANCE WITH KANSAS STATUTES

Reference made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration and interpretation by legal repetition of the District.

Public work contracts exceeding $100,000 was not properly bonded as required by K.S.A. 60-1111.

There are no other statutory and cash or budget law violation for the year ending June 30, 2023.

NOTE 7 – INTERFUND TRANSFERS

Interfund operating transfers are as follows:

From	To	Statutory Authority	Amount
General Fund	Bilingual Education	K.S.A. 72–6428	$ 65,000
General Fund	Capital Outlay	K.S.A. 72–6428	183,095
General Fund	Food Service	K.S.A. 72–6428	1,000
General Fund	Professional Development	K.S.A. 72–6428	5,000
General Fund	Special Education	K.S.A. 72–6428	352,717
General Fund	Career and Postsecondary Education	K.S.A. 72–6428	20,000
General Fund	Preschool-Aged At-Risk	K.S.A. 72–6428	34,000
General Fund	At Risk (K-12)	K.S.A. 72–6428	530,637
Supplemental General Fund	Bilingual Education	K.S.A. 72–6428	130,000
Supplemental General Fund	Special Education	K.S.A. 72–6428	90,665
Supplemental General Fund	Career and Postsecondary Education	K.S.A. 72–6428	80,000
Supplemental General Fund	Preschool-Aged At-Risk	K.S.A. 72–6428	26,000
Supplemental General Fund	At Risk (K–12)	K.S.A. 72–6428	138,817

NOTE 8 – CLAIMS, JUDGEMENTS AND RISK MANAGEMENT

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material impact on the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage in the 2023 fiscal year, and there were no settlements that exceeded insurance coverage in the past three years.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management’s evaluation concluded that there are no subsequent events that are required to be recognized, but one event is to be disclosed in this financial statement.

The District purchased a 2023 Chevy Star Craft 14 passenger shuttle bus from National Bus Sales for $119,900 on September 12, 2023.

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

Schedule 1

Unified School District Number 452
Johnson City, Kansas
Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:						
General	$4,134,123	$ (37,799)	$ 94,225	$4,190,549	$ 4,190,549	$ -
Supplemental General	1,257,398	-	-	1,257,398	1,257,398	-
Special Purpose Funds:						
Preschool-Aged At-Risk	60,000			60,000	60,000	-
At-Risk Fund (K-12)	522,000			522,000	522,000	-
Bilingual Education	195,000			195,000	195,000	-
Capital Outlay	500,000			511,000	281,135	(229,865)
Driver Training	9,781			9,781	9,781	-
Food Service	359,823			359,823	286,761	(73,062)
Professional Development	10,799			10,799	6,272	(4,527)
Special Education	525,102			525,102	454,673	(70,429)
Career and Postsecondary Education	100,000			100,000	100,000	-
KPERS Special Retirement	419,111			419,111	394,711	(24,400)
Recreation Commission	224,155			224,155	212,345	(11,810)
Rec. Comm. Emp. Benefits	35,470			35,470	35,470	-

Unified School District Number 452
Johnson City, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Mineral Taxes	$ 27,650	$ 68,823	$ -	$ 68,823
State Special Education Aid	268,774	260,340	284,533	(24,193)
General State Aid	3,754,030	3,767,161	3,849,590	(82,429)
Reimbursed Expenses	150,975	94,225	-	94,225
Total Receipts	4,201,429	4,190,549	$ 4,134,123	$ 56,426
Expenditures				
Instruction	972,033	1,116,200	1,037,500	78,700
Student Support Services	14,928	18,976	22,098	(3,122)
Instructional Support Staff	-	114	-	114
General Administration	288,846	291,048	318,000	(26,952)
School Administration	352,834	408,300	371,500	36,800
Central Services	74,842	72,710	79,875	(7,165)
Operations and Maintenance	759,411	793,469	826,500	(33,031)
Student Transportation Services - Supervision	1,441	-	-	-
Vehicle Operating Services	513,271	260,766	376,650	(115,884)
Vehicle & Maintenance Services	35,981	37,517	51,000	(13,483)
Funds Transfer	1,187,842	1,191,449	1,051,000	140,449
Adjustment to Comply with Legal Max			(37,799)	37,799
Legal General Fund Budget	4,201,429	4,190,549	4,096,324	94,225
Adjustment for Qualifying Budget Credits			94,225	(94,225)
Total Expenditures	4,201,429	4,190,549	$ 4,190,549	-
Receipts Over (Under) Expenditures	-	-		$ 56,426
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

Schedule 2-2

Unified School District Number 452
Johnson City, Kansas
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Advalorem Taxes	$ 822,555	$ 834,495	$ 893,641	$ (59,146)
Back Tax Collections	19,193	21,233	5,423	15,810
Motor Vehicle Tax Collections	79,261	79,603	52,883	26,720
Recreational Vehicle Tax Collections	567	493	525	(32)
Commercial Vehicle Tax	8,053	5,206	4,664	542
Supplemental State Aid	206,749	346,539	346,539	-
Total Receipts	1,136,378	1,287,569	$ 1,303,675	$ (16,106)
Expenditures				
Instruction	640,626	778,517	679,086	99,431
Instructional Support Staff	-	-	5,000	(5,000)
General Administration	191	718	500	218
School Administration	140	5,699	15,500	(9,801)
Operations and Maintenance	3,808	6,981	99,312	(92,331)
Fund Transfers	468,582	465,483	458,000	7,483
Adjustment to Comply with Legal Max			-	-
Legal Supplemental Fund Budget	1,113,347	1,257,398	1,257,398	-
Adjustment for Qualifying Budget Credits			-	-
Total Expenditures	1,113,347	1,257,398	$ 1,257,398	-
Receipts Over (Under) Expenditures	23,031	30,171		$ (16,106)
Unencumbered Cash, Beginning	40,047	63,078		
Unencumbered Cash, Ending	$ 63,078	$ 93,249		

Unified School District Number 452
Johnson City, Kansas
Preschool-Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 58,000	$ 60,000	$ 60,000	-
Total Receipts	58,000	60,000	$ 60,000	$ -
Expenditures				
Instruction	58,000	60,000	60,000	-
Total Expenditures	58,000	60,000	$ 60,000	-
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

Schedule 2-4

Unified School District Number 452
Johnson City, Kansas
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 668,537	$ 669,454	$ 522,000	$ 147,454
Total Receipts	668,537	669,454	$ 522,000	$ 147,454
Expenditures				
Instruction	668,536	522,000	522,000	-
Total Expenditures	668,536	522,000	$ 522,000	-
Receipts Over (Under) Expenditures	1	147,454		$ 147,454
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ 1	$ 147,454		

Unified School District Number 452
Johnson City, Kansas
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 177,000	$ 195,000	$ 195,000	$ -
Total Receipts	177,000	195,000	$ 195,000	$ -
Expenditures				
Instruction	177,000	195,000	195,000	-
Total Expenditures	177,000	195,000	$ 195,000	-
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

Schedule 2-6

Unified School District Number 452
Johnson City, Kansas
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Advalorem Propety Taxes	$ 154,511	$ 222,659	$ 208,505	$ 14,154
Back Tax Collections	3,685	4,188	1,020	3,168
Motor Vehicle Tax Collections	14,965	14,711	9,978	4,733
Recreational Vehicle Tax Collections	107	93	99	(6)
Commercial Vehicle Tax	1,556	978	880	98
Interest	9,325	9,979	-	9,979
Rent Income	18,659	6,165	-	6,165
Sale of Property	260	-	-	-
Capital Outlay State Aid	21,857	44,856	44,856	-
Transfers In	183,652	183,095	180,000	3,095
Reimbursements	6,214	11,000	-	11,000
Total Receipts	414,791	497,724	$ 445,338	$ 52,386
Expenditures				
Instruction	6,201	-	8,000	(8,000)
Instructional Support Staff	-	8,529	-	8,529
General Administration	1,750	-	2,500	(2,500)
Operations and Maintenance	3,824	41,054	6,500	34,554
Facility Acquisition & Construction Services	108,581	231,552	483,000	(251,448)
Legal Capital Outlay Budget	120,356	281,135	500,000	(218,865)
Adjustment for Qualifying Budget Credits			11,000	(11,000)
Total Expenditures	120,356	281,135	$ 511,000	(229,865)
Receipts Over (Under) Expenditures	294,435	216,589		$ 282,251
Unencumbered Cash, Beginning	1,260,340	1,570,464		
Prior Year Cancelled Encumbrances	15,689	-		
Unencumbered Cash, Ending	$ 1,570,464	$ 1,787,053		

Unified School District Number 452
Johnson City, Kansas
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ 3,416	$ 3,220	$ 4,050	$ (830)
Fee Income	2,300	4,300	3,000	1,300
Miscellaneous Income	1,147	765	-	765
Total Receipts	6,863	8,285	$ 7,050	$ 1,235
Expenditures				
Instruction	8,573	9,398	8,081	1,317
Operations & Maintenance	1,704	383	1,700	(1,317)
Total Expenditures	10,277	9,781	$ 9,781	-
Receipts Over (Under) Expenditures	(3,414)	(1,496)		$ 1,235
Unencumbered Cash, Beginning	6,145	2,731		
Unencumbered Cash, Ending	$ 2,731	$ 1,235		

Schedule 2-8

Unified School District Number 452
Johnson City, Kansas
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ 2,258	$ 2,264	$ 1,943	$ 321
Federal Aid	323,086	211,492	155,552	55,940
Charge for Services	12,865	67,441	113,384	(45,943)
Transfers In	1,983	1,000	2,000	(1,000)
Total Receipts	340,192	282,197	$ 272,879	$ 9,318
Expenditures				
Food Service Operation	313,248	286,761	359,823	(73,062)
Total Expenditures	313,248	286,761	$ 359,823	(73,062)
Receipts Over (Under) Expenditures	26,944	(4,564)		$ 82,380
Unencumbered Cash, Beginning	60,000	86,944		
Unencumbered Cash, Ending	$ 86,944	$ 82,380		

Unified School District Number 452
Johnson City, Kansas
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ -	$ 645	$ 1,620	$ (975)
Transfers In	5,000	5,000	5,000	-
Total Receipts	5,000	5,645	$ 6,620	$ (975)
Expenditures				
Instructional Support Staff	1,698	6,272	10,799	(4,527)
Total Expenditures	1,698	6,272	$ 10,799	(4,527)
Receipts Over (Under) Expenditures	3,302	(627)		$ 3,552
Unencumbered Cash, Beginning	2,496	5,798		
Unencumbered Cash, Ending	$ 5,798	$ 5,171		

Schedule 2-10

Unified School District Number 452
Johnson City, Kansas
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 5,032	$ 9,440	$ 9,440	$ -
Medicaid	6,538	-	-	-
Transfers In	447,252	443,382	445,000	(1,618)
Total Receipts	458,822	452,822	$ 454,440	$ (1,618)
Expenditures				
Cooperative Special Education	440,362	440,580	512,012	(71,432)
ESSERS Payment - CARES Act	5,032	9,440	9,440	-
Instruction	6,664	2,052	500	1,552
Vehicle Services & Maintenance Services	961	2,601	3,150	(549)
Total Expenditures	453,019	454,673	$ 525,102	(70,429)
Receipts Over (Under) Expenditures	5,803	(1,851)		$ 68,811
Unencumbered Cash, Beginning	64,859	70,662		
Unencumbered Cash, Ending	$ 70,662	$ 68,811		

Unified School District Number 452
Johnson City, Kansas
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 115,000	$ 100,000	$ 100,000	$ -
Total Receipts	115,000	100,000	$ 100,000	$ -
Expenditures				
Instruction	115,000	100,000	100,000	-
Total Expenditures	115,000	100,000	$ 100,000	-
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

Schedule 2-12

Unified School District Number 452
Johnson City, Kansas
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
KPERS State Aid	$ 395,388	$ 394,711	$ 419,111	$ (24,400)
Total Receipts	395,388	394,711	$ 419,111	$ (24,400)
Expenditures				
KPERS Employee Benefits	395,388	394,711	419,111	(24,400)
Total Expenditures	395,388	394,711	$ 419,111	(24,400)
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

Unified School District Number 452
Johnson City, Kansas
Contingency Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year	Current Year
Receipts		
Transfers In	$ -	$ -
Total Receipts	-	-
Expenditures		
Equipment	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	725,675	725,675
Unencumbered Cash, Ending	$ 725,675	$ 725,675

Schedule 2-14

Unified School District Number 452
Johnson City, Kansas
Recreation Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Ad Valorem Taxes	$ 135,196	$ 194,806	$ 182,333	$ 12,473
Back Taxes	3,094	3,489	892	2,597
Motor Vehicle Tax	13,110	13,113	8,728	4,385
Recreation Tax	94	81	87	(6)
Commercial Vehicle Tax	1,362	856	770	86
Other Revenue from Local Source	-	-	31,345	(31,345)
Total Receipts	152,856	212,345	$ 224,155	$ (11,810)
Expenditures				
Transfer to Recreation Commission	152,856	212,345	224,155	(11,810)
Total Expenditures	152,856	212,345	$ 224,155	(11,810)
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

Unified School District Number 452
Johnson City, Kansas
Recreation Commission Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Ad Valorem Taxes	$ 41,735	$ 30,531	$ 29,956	$ 575
Back Taxes	913	969	277	692
Motor Vehicle Tax	3,176	4,237	2,814	1,423
Recreation Tax	20	26	28	(2)
Commercial Vehicle Tax	353	268	248	20
Other Revenue from Local Source	-	-	950	(950)
Total Receipts	46,197	36,031	$ 34,273	$ 1,758
Expenditures				
Transfer to Recreation Commission	45,000	35,470	35,470	-
Total Expenditures	45,000	35,470	$ 35,470	-
Receipts Over (Under) Expenditures	1,197	561		$ 1,758
Unencumbered Cash, Beginning	-	1,197		
Unencumbered Cash, Ending	$ 1,197	$ 1,758		

Schedule 2-16

Unified School District Number 452
Johnson City, Kansas
State, Federal and Other Grants Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022

	Title I	Supporting Effective Instruction	English Language Acquisition	Student Support and Academic Enrichment Program	Federal REAP Monies	KDHE K-12 COVID Testing Grant
Receipts						
Federal Grants	$100,737	$ 14,353	$ 12,265	$ 15,170	$ 39,030	$ 3,568
State Aid & Donations	-	-	-	-	-	100
Total Receipts	100,737	14,353	12,265	15,170	39,030	3,668
Expenditures						
Instruction	97,360	14,353	12,265	15,175	47,789	-
Instructional Support	3,377	-	-	-	-	-
Operations and Maintenace	-	-	-	-	-	-
Total Expenditures	100,737	14,353	12,265	15,175	47,789	-
Receipts Over (Under) Expenditures	-	-	-	(5)	(8,759)	3,668
Unencumbered Cash, Beginning	-	-	-	5	(20,711)	(3,668)
Unencumbered Cash, Ending	$ -	$ -	$ -	$ -	$ (29,470)	$ -

Unified School District Number 452
Johnson City, Kansas
State, Federal and Other Grants Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2019

Schedule 2-16

	ESSER II	ESSER III	Safe & Supportive Schools	Pre-K Pilot Grant(GEER)	Contribution and Donations	Total
Receipts						
Federal Grants	$ 358,777	476,454.00	$ -	$ 32,600	$ -	$ 1,052,954
State Aid & Donations	-	-	-	-	66	166
Total Receipts	358,777	476,454.00	-	32,600	66	1,053,120
Expenditures						
Instruction	-	39,661.40	-	32,600	66	259,269
Instructional Support	-	-	-	-	-	3,377
Operations and Maintenace	358,777	421,576.92	-	-	5,574	785,928
Total Expenditures	358,777	461,238.32	-	32,600	5,640	1,048,574
Receipts Over (Under) Expenditures	-	15,215.68	-	-	(5,574)	4,546
Unencumbered Cash, Beginning	-	(26,764.00)	-	-	5,574	(45,564)
Unencumbered Cash, Ending	$ -	(11,548.32)	$ -	$ -	$ -	$ (41,018)

Schedule 2-17

Unified School District Number 452
Johnson City, Kansas
Scholarships and Awards Fund
Regulatory Basis
For the Year Ended June 30, 2023

	9-12 Awards	Gifts Elemenary	Total
Receipts			
Interest	$ 94	$ -	$ 94
Miscellaneous Income	-	-	-
Total Receipts	94	-	94
Expenditures			
Scholarships/Awards	-	-	-
Total Expenditures	-	-	-
Receipts Over (Under) Expenditures	94	-	94
Unencumbered Cash, Beginning	1,344	49	1,393
Unencumbered Cash, Ending	$ 1,438	$ 49	$ 1,487

Unified School District Number 452
Johnson City, Kansas
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

Student Organizations	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Elementary:				
Library	$ 366	$ 2,755	$ 2,639	$ 482
S.E.T	607	67	-	674
Subtotal Elementary	973	2,822	2,639	1,156
Middle/High School:				
Staff	1,079	7,429	6,615	1,893
Industrial Arts	261	-	-	261
FCCLA	367	-	-	367
Golf	196	612	126	682
Cheerleader	3,130	18,093	13,478	7,745
Drama	711	1,080	250	1,541
Band	1,871	35	-	1,906
Vocal	683	-	25	658
Student Council	4,148	127	501	3,774
Volleyball	1,774	7,711	3,873	5,612
National Honor Society	577	660	429	808
Girls BBall	3,927	4,859	7,454	1,332
FBLA	5,814	(469)	480	4,865
Boys BBall	(302)	11,292	4,580	6,410
Football	7,003	6,921	6,430	7,494
Dance	553	416	553	416
Cross Country	59,172	37,883	28,970	68,085
Scholars Bowl	45	-	-	45
Track	6,074	8,335	4,802	9,607
Art	337	544	633	248
Forensics	854	-	-	854
Softball	2,153	500	-	2,653
Spanish Club	1,954	-	-	1,954
KAY	3,665	1,623	2,109	3,179
Girls Golf	4,079	19	911	3,187
Art Club	238	3,251	1,272	2,217
Jr. High Athletics/ Activities	188	-	-	188
Jr. High Cheerleading	1,997	1,847	2,853	991
JR H Girls Basketball	(668)	4,224	2,395	1,161
JR H Boys Basketball	690	695	808	577
JR H Track	505	1,271	1,175	601
Library	282	-	-	282
FFA	8,901	30,095	26,021	12,975
JR. High Football	1,939	2,553	3,617	875
JR High Girls Volleyball	897	85	430	552
Baseball	-	10,905	3,870	7,035
Wrestling	-	438	-	438
Prior Year Seniors	348	-	348	-
Class of 2023	503	3,007	2,474	1,036
Class of 2024	3,403	8,413	6,517	5,299
Class of 2025	2,064	1,787	(1,883)	5,734
Class of 2026	3,641	5,755	7,381	2,015
High School Office Expense	149	-	-	149
Powerlifting	1,109	8,680	8,680	1,109
SC Travel Group	-	1,634	1,634	-
Subtotal Middle/High School	136,311	192,310	149,811	178,810
Sales Tax	515	7,672	8,062	125
Total Agency Funds	$ 137,799	$ 202,804	$ 160,512	$ 180,091

Schedule 4

Unified School District Number 452
Johnson City, Kansas
District Activity Fund
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
School Projects:						
Elementary						
Box Tops	$ 582	$ 42	$ -	624	$ -	$ 624
Band Supplies	-	53	53	-	-	-
Textbook	-	225	225	-	-	-
Elementary Student Fund	2,398	14,463	14,220	2,641	-	2,641
Pop	1,009	490	921	578	-	578
Faculty	35	88	-	123	-	123
Subtotal	4,024	15,361	15,419	3,966	-	3,966
High/Middle School						
Concessions	-	19,292	19,292	-	-	-
Gate Receipts	-	18,809	18,809	-	-	-
Athletics	-	13,177	13,177	-	-	-
Yearbook	-	1,996	1,996	-	-	-
Petty Cash	-	1,048	1,048	-	-	-
Shop	-	733	733	-	-	-
Textbook	-	5,698	5,698	-	-	-
Chromebook	-	3,165	3,165	-	-	-
Activity Fee	-	13,527	13,527	-	-	-
Band Instrument	(1)	595	594	-	-	-
PE Shorts/Shirt	-	1,101	1,101	-	-	-
Drivers Education	-	-	-	-	-	-
Officals	-	8,615	8,615	-	-	-
Subtotal	(1)	87,756	87,755	-	-	-
Total District Activity Fund	$ 4,023	$ 103,117	$ 103,174	$ 3,966	$ -	$ 3,966

Unified School District Number 452

Johnson City, Kansas

SINGLE AUDIT SECTION

For the Year Ended June 30, 2023

Dirks, Anthony & Duncan, LLC
Certified Public Accountants & Management Consultants
104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

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*

Superintendent and Board of Education
Unified School District Number 452
Johnson City, Kansas 67855

We have audited, in accordance with the 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 the Unified School District Number 452 which comprise the statement of receipts, expenditures, and unencumbered cash as of June 30, 2023, and the related notes to the financial statement, which collectively comprise Unified School District Number 452's basic financial statement, and have issued our report thereon dated November 3, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District Number 452's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District Number 452's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District Number 452'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 entity'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District Number 452'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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Dirks, Anthony & Duncan L.L.C.

DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

November 3, 2023

Dirks, Anthony & Duncan, LLC
Certified Public Accountants & Management Consultants
104 N. Main / P.O. Box 885 / Ulysses, KS 67880 / Phone: (620) 356-4951 / Fax: (620) 353-1018

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

Superintendent and Board of Education
Unified School District Number 452
Johnson City, Kansas 67855

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District Number 452's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unified School District Number 452's major federal programs for the year ended June 30, 2023. Unified School District Number 452's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District Number 452 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Unified School District Number 452 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District Number 452'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 Unified School District Number 452'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 Unified School District Number 452's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or

the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Unified School District Number 452's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District Number 452's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Unified School District Number 452's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Unified School District Number 452's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District Number 452's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District Number 452's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

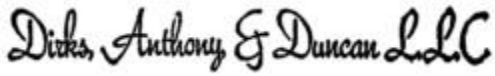
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District Number 452's response to the internal control over compliance findings identified in our compliance audit described

in the accompanying schedule of findings and questioned costs. Unified School District Number 452's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



DIRKS, ANTHONY & DUNCAN, LLC
Certified Public Accountants

November 3, 2023

Unified School District Number 452
Johnson City, Kansas
Schedule of Expenditures of Federal Awards
Regulatory Basis
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Numbers	Pass Through Identifying Number	Federal Award Expenditures
U.S. Department of Agriculture			
Passed Through State of Kansas Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553	D0452	$ 37,769
National School Lunch Program	10.555	D0452	154,647
SFS - CFC	10.559	D0452	19,076
Total Child Nutrition Cluster			211,492
Total U.S. Department of Agriculture			211,492
U.S. Department of Education			
Rural Education Achievement Program	84.358B	D0452	47,789
Passed Through State of Kansas Department of Education			
Title I Low Income	84.010A	D0452	100,737
English Lanugage Acquisition	84.365A	D0452	12,265
Supporting Effective Instruction	84.367A	D0452	14,353
ESSA - Student Support and Academic Enrichment Program	84.424A	D0452	15,175
Educaton Stabilization Fund - Section 1 Cluster:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund II	84.425D	D0452	368,217
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	D0452	461,238
COVID-19 Governer's Emergency Education Relief Fund	84.425C	D0452	32,600
Total Educaton Stabilization Fund - Section 1 Cluster			862,055
Total U.S. Department of Education			1,052,374
U.S. Department of Health and Human Services			
Passed Through State of Kansas Department of Education			
Youth Risk Behavior Survey	93.079	D0452	75
Total U.S. Department of Health and Human Services			75
Total Expenditures of Federal Awards			$ 1,263,941

Unified School District Number 452
Johnson City, Kansas
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 452, Johnson City, Kanas (the District) under programs of the federal government for the year ended June 30, 2023. The information in this schedule if 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 select portion of the operations of District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using regulatory basis of accounting prescribed by the Kanas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Expenditures reported in the Schedule of Expenditures of Federal Awards (SEFA) are reported using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash and budget laws of the State of Kansas, the same as the financial statement accompanying this schedule.

2) Unified School District Number 452 did not use the standard indirect cost rate of 10%.

NOTE 3 – FUNDS EXPENDED

Funds where federal expenditures were receipted and expended:

Food Service Fund	$ 211,492
General Fund	75
Special Education Fund	9,440
From State, Federal and Other Grant Funds:	
ESSER II	358,777
ESSER III	461,238
Title I Low Income	100,737
Supporting Effective Instruction	14,353
English Language Acquisition	12,265
Rural Education Achievement Program	47,789
ESSA	15,175
21st Century After School	32,600
	$ 1,263,941

Unified School District Number 452
Johnson City, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I – Summary of Auditor's Results

Financial Statement:

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
• Noncompliance which is material to the financial statement noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance:	
• Education Stabilization Fund	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)?	Yes

Identification of Major Programs	Assistance Listing Number
Education Stabilization Fund – Section 1 Cluster:	
Elementary and Secondary School Emergency Relief Fund II	84.425D
Elementary and Secondary School Emergency Relief Fund III	84.425U
Governors Emergency Education Relief (GEER)	84.425C

Dollar threshold to distinguish between Type A and Type B Programs	$750,000
Auditee qualifies as a low-risk auditee?	No

Section II – Financial Statement Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Education Stabilization Fund – Section 1 Cluster
Federal Assistance Listing Numbers: 84.425D, 84.425U, 84.425C

Finding 2023-001
SIGNIFICANT DEFICENCY AND MATERIAL NONCOMPLIANCE
Special Tests

Criteria: When contracting with a contractor for amounts greater than $2,000 the District is required to observe the Davis-Bacon prevailing wage requirements. The Davis-Bacon Act and Kansas State Department of Education (KSDE) requires the District to following a specific set of requirements. Per KSDE's "Capital Improvement and Construction with Federal Funds" handout:

- Contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- Contractors must be required to pay wages not less than once a week.
- District must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation.
- Contract must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145),
- District must report all suspected or reported violations to the Federal awarding agency.

Condition: While performing the special tests, as required by May 2023 Compliance Supplement, set forth by the Executive Office of the President Office of Management and Budget, it was discovered the District did not obtain a contract with Johnson Controls, Inc. for the heating, ventilation, and air-condition (HVAC) construction project. The absence of a contract corresponds to the violation of the Davis-Bacon Act clause and a provision for compliance with the Copeland "Anti-Kickback" Act. Without the legal requirement to follow the Davis-Bacon Act, the contractor was not required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor and pay wages not less than once a week.

Cause: Management relied on the contractor's assurance of their adherence to KSDE's requirements for construction contracts.

Effect: The District did not comply with the Davis-Bacon prevailing wage requirements as set out by KSDE. The contractor was not required to pay their laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.

Questioned Costs: None

Recommendations: The District should utilize the KSDE's provided checklist for construction contract and not rely on a non-District individual for compliance. A board appointed individual should provide a secondary review to ensure all requirements are met for all construction contracts being paid with federal funds.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding. See separate document for planned corrective actions.

Stanton County Unified School District #452
200 West Weaver / P.O. Box C / Johnson, Kansas 67855 / (620) 492-6226
"USD #452 continually strives for educational excellence"

CORRECTIVE ACTION PLAN

October 26, 2023

Kansas State Department of Education and Kansas State Department of Administration

Unified School District Number 452 respectfully submits the following corrective action plan for the year ended June 30, 2022.

Dirks, Anthony & Duncan, LLC
Po Box 885
Ulysses, KS 67880

Audit Period: June 30, 2023

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT
U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Education Stabilization Fund – Section 1 Cluster
Federal Assistance Listing Numbers: 84.425D, 84.425U, 84.425C

Finding 2023-001

Recommendations: The District should utilize the KSDE's provided checklist for construction contract and not rely on a non-District individual for compliance. A board appointed individual should provide a secondary review to ensure all requirements are met for all construction contracts being paid with federal funds.

Action Taken: We agree with the recommendation. Our targeted implementation date is March 2024.

If the Kansas State Department of Education and/or Kansas State Department of Administration has questions regarding this plan, please call Trent Horn at 620-492-6226.

Sincerely yours,

Trent Horn
Superintendent

U.S.D. 452 does not discriminate on the basis of sex, race, color, national origin, disability, or age in admission or access to, or treatment or employment in, it's programs or activities. Any question regarding the compliance with Title IX may be directed to the Title IX Coordinator who can be reached at (620) 492-6226, Box C, Johnson, KS 67855, or the Assistant Secretary for Civil Rights. U.S. Department of Education.