UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
and
UNIFORM GUIDANCE REPORTS

YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 363
Holcomb, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 363, as of and for the year ended June 30, 2023, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 363, as of June 30, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 363, as of June 30, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States 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 Unified School District No. 363 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note A of the financial statement, the financial statement is prepared by Unified School District No. 363 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Unified School District No. 363's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgement and maintain professional skepticism throughout the audit.
- identify and assess the 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 Unified School District No. 363'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, which raise substantial doubt about Unified School District No. 363's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, and summary of regulatory basis receipts and disbursements – 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 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*. The schedule of expenditures of federal awards is presented for additional analysis as required by the Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 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 A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 363 as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated February 6, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link: http://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2024, on our consideration of Unified School District No. 363'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 363's internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

January 13, 2024

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2023

Fund	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General funds:		
General	$ -	$ -
Supplemental general	145,615	-
Total general funds	145,615	-
Special purpose funds:		
Bilingual education	30,100	-
Virtual education	-	-
Capital outlay	1,791,352	2,369
Driver training	42,743	-
Food service	224,870	-
Professional development	84,635	245
Parents as teachers	44,425	-
Special education	611,868	-
Career and postsecondary education	201,102	3
Preschool-aged at-risk	146	-
At-risk (K-12)	59	-
KPERS special retirement contribution	-	-
Recreation commission	-	-
Recreation commission employee benefits	-	-
Non-budgeted special purpose funds:		
Title II-A	-	-
Gift	27,296	64
Title I-A	-	-
Federal grants	(15,749)	-
Holowach estate	598,296	-
Health council	6,728	-
Contingency reserve	819,322	-
Student materials	121,778	52
District activity funds	32,309	-
Total special purpose funds	4,621,280	2,733
Bond and interest fund:		
Bond and interest	897,213	-
Total Unified School District No. 363 (excluding agency funds)	$ 5,664,108	$ 2,733

Receipts	Expenditures	Ending unencumbered cash balance (deficit)	Add encumbrances and accounts payable	Ending cash balance
$ 7,971,087	$ 7,971,087	$ -	$ 267,988	$ 267,988
2,576,282	2,621,799	100,098	67,033	167,131
10,547,369	10,592,886	100,098	335,021	435,119
275,650	152,888	152,862	5,598	158,460
110,206	55,077	55,129	3,635	58,764
1,172,647	1,131,166	1,835,202	566,556	2,401,758
16,875	13,691	45,927	6,110	52,037
590,509	615,285	200,094	22,402	222,496
37,109	32,995	88,994	2,495	91,489
48,305	76,267	16,463	4,165	20,628
1,016,747	932,758	695,857	-	695,857
177,952	177,872	201,185	10,678	211,863
204,778	60,429	144,495	2,906	147,401
1,616,890	1,616,948	1	122,438	122,439
986,407	986,407	-	-	-
435,940	435,940	-	-	-
121,185	121,185	-	-	-
19,749	19,749	-	1,508	1,508
86,004	99,089	14,275	2,422	16,697
171,458	171,458	-	6,073	6,073
548,567	534,128	(1,310)	26,821	25,511
12,246	1,000	609,542	-	609,542
-	-	6,728	-	6,728
10,000	10,000	819,322	-	819,322
123,500	123,203	122,127	3,840	125,967
150,838	146,280	36,867	-	36,867
7,933,562	7,513,815	5,043,760	787,647	5,831,407
351,184	341,700	906,697	-	906,697
$ 18,832,115	$ 18,448,401	$ 6,050,555	$ 1,122,668	$ 7,173,223

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2023

	Ending cash balance
Composition of cash:	
Demand deposits	$ 6,547,195
Certificates of deposit	759,073
	7,306,268
Agency funds	(133,045)
Total Unified School District No. 363 (excluding agency funds)	$ 7,173,223

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

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

NOTES TO THE FINANCIAL STATEMENT

June 30, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

   Unified School District No. 363 is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. This financial statement does not include the following related municipal entity:

   Holcomb Recreation Commission. The Commission oversees recreational activities. Four of the five members of the governing board are appointed by the Board of Education. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

   The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

   REGULATORY BASIS FUND TYPES

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

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

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

   Agency funds – used to report assets held by the municipal financial reporting entity in a purely custodial capacity (student organization funds, etc.).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. 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.

4. Budgetary Information

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

a. Preparation of the budget for the succeeding fiscal year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

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

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 following budgets were amended in the current year:

Fund	Original budget	Amended budget
General	$ 7,930,159	$ 8,044,469
At-risk (K-12)	1,500,688	1,631,786

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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 regulatory 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 municipality 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 state and federal grant funds, agency funds, and the following special purpose funds:

Gift	Contingency Reserve
Holowach Estate	Student Materials
Health Council	District Activity Funds

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.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, the State Department of Education, and legal representatives of the District.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. Although the Federal Grants fund overspent its cash by $1,310 according to K.S.A. 12-1664, the District is not prohibited from financing the federal share of a local program from current funds, if available.

C. DEPOSITS AND INVESTMENTS

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

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

C. DEPOSITS AND INVESTMENTS (CONTINUED)

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. All deposits were legally secured at June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $7,306,268, and the bank balance was $8,038,073. Of the bank balance, $1,009,073 was covered by federal depository insurance and $7,029,000 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

D. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions/ net change	Reductions/ net change	Balance end of year	Interest paid
General obligation bonds:					
Series 2017					
Issued December 28, 2017					
In the amount of $4,040,000					
At interest rate of 3.00%					
Maturing September 1, 2033	$3,510,000	$ -	$ 240,000	$3,270,000	$ 101,700

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

	Principal due	Interest due	Total due
2024	$ 250,000	$ 94,350	$ 344,350
2025	260,000	86,700	346,700
2026	270,000	78,750	348,750
2027	280,000	70,500	350,500
2028	285,000	62,025	347,025
2029-2033	1,575,000	173,625	1,748,625
2034	350,000	5,250	355,250
Total	$ 3,270,000	$ 571,200	$ 3,841,200

E. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

E. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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 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. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

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

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

E. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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 $986,407 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 $9,055,093. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

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

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

Section 125 plan. The District offers a Section 125 Flexible Benefit Plan to all eligible employees. It is used for unreimbursed medical and dependent care expenses. The plan is administered by an independent company.

F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Compensated absences. The District's policy is to recognize the costs of compensated absences when actually paid. District policies address vacation for employees on twelve-month contracts and sick leave for all full-time employees. Employees on twelve-month contracts receive two weeks of vacation per year. After an employee has worked for the District for five years, they receive an additional day of vacation for each year until they receive a maximum of fifteen days of vacation. The Superintendent's vacation is noted in his contract and is normally twenty days. Vacation may be accumulated to twice the employee's annual allotment and if not used it will be lost. Upon retirement, termination, or resignation, the District pays for any accumulated vacation days. Certified employees on salary receive fifteen days of sick leave annually. Classified employees receive one sick day per month worked. An employee may not carry over more than one hundred sick days from year to year. Policies permit unused sick leave to be reimbursed if the employee has been with the District for more than fifteen years and retires or resigns at the end of the school year. The District pays for accumulated sick leave at a rate of $1.00 per day per year of service. After twenty-five years of service the rate increases to $1.50 per day per year of service.

The potential liability for vacation and sick leave for the years ended June 30, 2023 and 2022 was $85,865 and $83,470, respectively.

G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Amount	Regulatory authority
General fund	Virtual education fund	$ 110,206	K.S.A. 72-5167
General fund	Capital outlay fund	59,552	K.S.A. 72-5167
General fund	Food service fund	39,444	K.S.A. 72-5167
General fund	Special education fund	801,881	K.S.A. 72-5167
General fund	At-risk (K-12) fund	1,257,799	K.S.A. 72-5167
General fund	Contingency reserve fund	10,000	K.S.A. 72-5167
Total general fund		2,278,882	
Supplemental general fund	Bilingual education fund	275,650	K.S.A. 72-5143
Supplemental general fund	Professional development fund	32,995	K.S.A. 72-5143
Supplemental general fund	Special education fund	141,675	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	177,872	K.S.A. 72-5143
Supplemental general fund	Preschool-aged at-risk fund	204,778	K.S.A. 72-5143
Supplemental general fund	At-risk (K-12) fund	359,091	K.S.A. 72-5143
Supplemental general fund	Student materials fund	50,000	K.S.A. 72-5143
Total supplemental general fund		1,242,061	
Total operating transfers		$3,520,943	

H. 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; injuries to employees; and natural disasters. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

I. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and 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 effect on this financial statement.

J. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 13, 2024, and does not believe any events have occurred which affect the financial statement as presented.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2023

Fund	Certified budget	Adjustment to comply with legal maximum budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General funds:						
General	$ 8,044,469	$ (75,210)	$ 1,828	$ 7,971,087	$ 7,971,087	$ -
Supplemental general	2,621,799	-	-	2,621,799	2,621,799	-
Special purpose funds:						
Bilingual education	177,176	-	-	177,176	152,888	24,288
Virtual education	84,000	-	-	84,000	55,077	28,923
Capital outlay	3,320,711	-	-	3,320,711	1,131,166	2,189,545
Driver training	15,385	-	-	15,385	13,691	1,694
Food service	753,583	-	-	753,583	615,285	138,298
Professional development	43,000	-	-	43,000	32,995	10,005
Parents as teachers	76,388	-	-	76,388	76,267	121
Special education	1,009,552	-	-	1,009,552	932,758	76,794
Career and postsecondary education	184,365	-	-	184,365	177,872	6,493
Preschool-aged at-risk	68,873	-	-	68,873	60,429	8,444
At-risk (K-12)	1,631,786	-	-	1,631,786	1,616,948	14,838
KPERS special retirement contribution	1,032,401	-	-	1,032,401	986,407	45,994
Recreation commission	446,600	-	-	446,600	435,940	10,660
Recreation commission employee benefits	124,100	-	-	124,100	121,185	2,915
Bond and interest fund:						
Bond and interest	341,700	-	-	341,700	341,700	-
Total	$ 19,975,888	$ (75,210)	$ 1,828	$ 19,902,506	$ 17,343,494	$ 2,559,012

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
In lieu of tax	$ 3,403	$ 2,187	$ -	$ 2,187
State sources:				
State aid	6,661,817	7,323,243	7,356,292	(33,049)
Special education aid	561,443	541,469	614,177	(72,708)
State aid - reimbursement	267	1,828	-	1,828
Mineral production tax	73,755	102,360	74,000	28,360
Total receipts	7,300,685	7,971,087	$ 8,044,469	$ (73,382)
Expenditures:				
Instruction	2,869,905	2,866,284	$ 2,968,600	$ 102,316
Student support services	13,976	13,378	15,500	2,122
Instructional support staff	117,370	56,957	81,060	24,103
General administration	316,463	345,498	369,540	24,042
School administration	600,535	623,303	624,462	1,159
Central services	393,621	390,830	396,746	5,916
Operations and maintenance	884,753	958,406	1,084,711	126,305
Student transportation services:				
Supervision	35,728	37,968	37,953	(15)
Vehicle operating services	230,211	246,207	272,972	26,765
Vehicle and maintenance services	114,810	153,374	126,181	(27,193)
Operating transfers	1,723,313	2,278,882	2,066,744	(212,138)
Adjustment to comply with legal maximum budget	-	-	(75,210)	(75,210)
Legal general fund budget	7,300,685	7,971,087	7,969,259	(1,828)
Adjustment for qualifying budget credit	-	-	1,828	1,828
Total expenditures	7,300,685	7,971,087	$ 7,971,087	$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 1,829,890	$ 1,893,499	$ 1,828,216	$ 65,283
Delinquent	35,351	14,037	18,579	(4,542)
Motor vehicle	92,910	94,904	94,640	264
Recreational vehicle	1,915	1,855	1,817	38
In lieu of tax	3,088	3,581	-	3,581
Supplemental state aid	373,658	568,406	568,406	-
Total receipts	2,336,812	2,576,282	$ 2,511,658	$ 64,624
Expenditures:				
Instruction	903,266	671,149	$ 742,590	$ 71,441
Student support services	101,893	119,872	109,670	(10,202)
School administration	1,600	1,600	3,400	1,800
Central services	268	547	1,000	453
Operations and maintenance	542,281	586,570	723,296	136,726
Operating transfers	859,806	1,242,061	1,041,843	(200,218)
Total expenditures	2,409,114	2,621,799	$ 2,621,799	$ -
Receipts over (under) expenditures	(72,302)	(45,517)		
Unencumbered cash, beginning of year	217,917	145,615		
Unencumbered cash, end of year	$ 145,615	$ 100,098		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from supplemental general	$ 148,900	$ 275,650	$ 147,076	$ 128,574
Expenditures:				
Instruction	145,981	152,888	$ 177,176	$ 24,288
Receipts over (under) expenditures	2,919	122,762		
Unencumbered cash, beginning of year	27,181	30,100		
Unencumbered cash, end of year	$ 30,100	$ 152,862		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

VIRTUAL 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general	$ -	$ 110,206	$ 84,000	$ 26,206
Expenditures:				
Instruction	-	55,077	$ 84,000	$ 28,923
Receipts over (under) expenditures	-	55,129		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ 55,129		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 699,865	$ 920,432	$ 890,207	$ 30,225
Delinquent	8,620	5,347	7,163	(1,816)
Motor vehicle	20,984	25,465	25,986	(521)
Recreational vehicle	432	479	499	(20)
In lieu of tax	1,191	1,748	-	1,748
Interest	1,654	4,113	-	4,113
Federal aid	-	23,773	-	23,773
State aid	-	65,157	65,289	(132)
Miscellaneous	79,223	66,581	80,000	(13,419)
Transfer from general	-	59,552	-	59,552
Total receipts	811,969	1,172,647	$ 1,069,144	$ 103,503
Expenditures:				
Instruction	212,802	280,090	$ 240,680	$ (39,410)
Student support services	6,432	3,098	10,000	6,902
Instructional support staff	10,985	3,039	11,000	7,961
General administration	16,920	-	17,000	17,000
School administration	-	-	5,000	5,000
Central services	-	-	10,000	10,000
Operations and maintenance	207,775	394,073	200,000	(194,073)
Transportation	183,697	2,762	190,000	187,238
Facility acquisition and construction services	791,806	448,104	2,637,031	2,188,927
Total expenditures	1,430,417	1,131,166	$ 3,320,711	$ 2,189,545
Receipts over (under) expenditures	(618,448)	41,481		
Unencumbered cash, beginning of year	2,406,298	1,791,352		
Prior year canceled encumbrances	3,502	2,369		
Unencumbered cash, end of year	$ 1,791,352	$ 1,835,202		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 9,272	$ 8,260	$ 7,965	$ 295
Other	9,070	8,615	11,900	(3,285)
Total receipts	18,342	16,875	$ 19,865	$ (2,990)
Expenditures:				
Instruction	11,187	13,691	$ 15,385	$ 1,694
Receipts over (under) expenditures	7,155	3,184		
Unencumbered cash, beginning of year	35,588	42,743		
Unencumbered cash, end of year	$ 42,743	$ 45,927		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 679,961	$ 424,124	$ 337,594	$ 86,530
State aid	4,629	4,441	4,057	384
Charges for services	6,067	121,512	208,408	(86,896)
Other	182	988	5,000	(4,012)
Transfer from general	28,600	39,444	50,000	(10,556)
Transfer from supplemental general	-	-	50,000	(50,000)
Total receipts	719,439	590,509	$ 655,059	$ (64,550)
Expenditures:				
Food service operations	598,650	615,285	$ 753,583	$ 138,298
Receipts over (under) expenditures	120,789	(24,776)		
Unencumbered cash, beginning of year	104,081	224,870		
Unencumbered cash, end of year	$ 224,870	$ 200,094		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ -	$ 4,114	$ 7,500	$ (3,386)
Transfer from supplemental general	21,326	32,995	-	32,995
Total receipts	21,326	37,109	$ 7,500	$ 29,609
Expenditures:				
Instructional support staff	36,099	32,995	$ 43,000	$ 10,005
Receipts over (under) expenditures	(14,773)	4,114		
Unencumbered cash, beginning of year	99,317	84,635		
Prior year canceled encumbrances	91	245		
Unencumbered cash, end of year	$ 84,635	$ 88,994		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

PARENTS AS TEACHERS

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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 49,906	$ 48,305	$ 49,592	$ (1,287)
Miscellaneous	2,447	-	-	-
Total receipts	52,353	48,305	$ 49,592	$ (1,287)
Expenditures:				
Student support services	63,976	75,784	$ 72,189	$ (3,595)
Instructional support staff	1,308	483	2,400	1,917
Central services	7,644	-	1,799	1,799
Total expenditures	72,928	76,267	$ 76,388	$ 121
Receipts over (under) expenditures	(20,575)	(27,962)		
Unencumbered cash, beginning of year	65,000	44,425		
Unencumbered cash, end of year	$ 44,425	$ 16,463		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 15,341	$ 14,855	$ 14,855	$ -
Interest	2,576	23,816	12,000	11,816
Other	-	34,520	-	34,520
Transfer from general	936,443	801,881	715,000	86,881
Transfer from supplemental general	-	141,675	243,565	(101,890)
Total receipts	954,360	1,016,747	$ 985,420	$ 31,327
Expenditures:				
Instruction	930,560	927,444	$ 1,005,009	$ 77,565
Student transportation services	5,794	5,314	4,543	(771)
Total expenditures	936,354	932,758	$ 1,009,552	$ 76,794
Receipts over (under) expenditures	18,006	83,989		
Unencumbered cash, beginning of year	593,862	611,868		
Unencumbered cash, end of year	$ 611,868	$ 695,857		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Other	$ -	$ 80	$ -	$ 80
Transfer from general	3,670	-	-	-
Transfer from supplemental general	196,330	177,872	185,280	(7,408)
Total receipts	200,000	177,952	$ 185,280	$ (7,328)
Expenditures:				
Instruction	197,612	177,872	$ 184,365	$ 6,493
Receipts over (under) expenditures	2,388	80		
Unencumbered cash, beginning of year	198,714	201,102		
Prior year canceled encumbrances	-	3		
Unencumbered cash, end of year	$ 201,102	$ 201,185		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from supplemental general	$ 36,850	$ 204,778	$ 68,727	$ 136,051
Expenditures:				
Instruction	48,845	60,429	$ 68,873	$ 8,444
Receipts over (under) expenditures	(11,995)	144,349		
Unencumbered cash, beginning of year	12,141	146		
Unencumbered cash, end of year	$ 146	$ 144,495		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general	$ 754,600	$ 1,257,799	$ 1,253,176	$ 4,623
Transfer from supplemental general	277,800	359,091	351,059	8,032
Other	-	-	50,000	(50,000)
Total receipts	1,032,400	1,616,890	$ 1,654,235	$ (37,345)
Expenditures:				
Instruction	779,130	1,336,935	$ 1,352,952	$ 16,017
Student support services	278,429	280,013	278,834	(1,179)
Total expenditures	1,057,559	1,616,948	$ 1,631,786	$ 14,838
Receipts over (under) expenditures	(25,159)	(58)		
Unencumbered cash, beginning of year	25,218	59		
Unencumbered cash, end of year	$ 59	$ 1		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 921,787	$ 986,407	$ 1,032,401	$ (45,994)
Expenditures:				
Instruction	577,687	621,055	$ 643,004	$ 21,949
Student support services	55,551	64,340	61,795	(2,545)
Instructional support staff	9,737	4,000	4,169	169
General administration	29,658	30,723	33,074	2,351
School administration	66,895	68,393	71,833	3,440
Central services	44,650	43,426	45,456	2,030
Operations and maintenance	83,507	93,865	105,789	11,924
Student transportation services	27,906	28,744	33,318	4,574
Food service operations	26,196	31,861	33,963	2,102
Total expenditures	921,787	986,407	$ 1,032,401	$ 45,994
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 361,998	$ 415,142	$ 401,126	$ 14,016
Delinquent	6,140	2,769	3,685	(916)
Motor vehicle	15,892	16,915	16,964	(49)
Recreational vehicle	327	327	326	1
In lieu of tax	613	787	-	787
Other	-	-	24,499	(24,499)
Total receipts	384,970	435,940	$ 446,600	$ (10,660)
Expenditures:				
Community service operations	384,970	435,940	$ 446,600	$ 10,660
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 100,555	$ 115,412	$ 111,467	$ 3,945
Delinquent	1,704	765	1,024	(259)
Motor vehicle	4,416	4,698	4,712	(14)
Recreational vehicle	91	91	90	1
In lieu of tax	170	219	-	219
Other	-	-	6,807	(6,807)
Total receipts	106,936	121,185	$ 124,100	$ (2,915)
Expenditures:				
Community service operations	106,936	121,185	$ 124,100	$ 2,915
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2023

	Title II-A	Gift	Title I-A	Federal grants
Receipts:				
Federal aid	$ 19,749	$ 32,795	$ 171,458	$ 548,567
State aid	-	42,025	-	-
Interest	-	-	-	-
Rental fees and books	-	-	-	-
Other grants and donations	-	11,184	-	-
Transfer from general	-	-	-	-
Transfer from supplemental general	-	-	-	-
Total receipts	19,749	86,004	171,458	548,567
Expenditures:				
Instruction	19,749	11,761	171,458	413,383
Student support services	-	84,187	-	38,838
Instructional support staff	-	2,851	-	538
General administration	-	290	-	1,615
School administration	-	-	-	5,383
Food service operations	-	-	-	6,996
Central services	-	-	-	2,153
Operations and maintenance	-	-	-	58,225
Student transportation services	-	-	-	6,997
Scholarships	-	-	-	-
Total expenditures	19,749	99,089	171,458	534,128
Receipts over (under) expenditures	-	(13,085)	-	14,439
Unencumbered cash (deficit), beginning of year	-	27,296	-	(15,749)
Prior year canceled encumbrances	-	64	-	-
Unencumbered cash (deficit), end of year	$ -	$ 14,275	$ -	$ (1,310)

See Independent Auditor's Report.

Holowach estate	Health council	Contingency reserve	Student materials	Total
$ -	$ -	$ -	$ -	$ 772,569
-	-	-	-	42,025
12,246	-	-	-	12,246
-	-	-	73,500	73,500
-	-	-	-	11,184
-	-	10,000	-	10,000
-	-	-	50,000	50,000
12,246	-	10,000	123,500	971,524
-	-	-	123,203	739,554
-	-	-	-	123,025
-	-	-	-	3,389
-	-	-	-	1,905
-	-	-	-	5,383
-	-	-	-	6,996
-	-	-	-	2,153
-	-	10,000	-	68,225
-	-	-	-	6,997
1,000	-	-	-	1,000
1,000	-	10,000	123,203	958,627
11,246	-	-	297	12,897
598,296	6,728	819,322	121,778	1,557,671
-	-	-	52	116
$ 609,542	$ 6,728	$ 819,322	$ 122,127	$ 1,570,684

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		2023		
	2022	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 361,236	$ 332,596	$ 320,483	$ 12,113
Delinquent	5,202	2,338	3,685	(1,347)
Motor vehicle	13,796	15,329	15,474	(145)
Recreational vehicle	284	294	297	(3)
In lieu of tax	613	627	-	627
Total receipts	381,131	351,184	$ 339,939	$ 11,245
Expenditures:				
Debt service:				
Principal	230,000	240,000	$ 240,000	$ -
Interest	108,750	101,700	101,700	-
Total expenditures	338,750	341,700	$ 341,700	$ -
Receipts over (under) expenditures	42,381	9,484		
Unencumbered cash, beginning of year	854,832	897,213		
Unencumbered cash, end of year	$ 897,213	$ 906,697		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2023

Fund	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
Gate receipts:						
High school:						
Gate receipts	$ 2,223	$ 30,415	$ 27,174	$ 5,464	$ -	$ 5,464
Activities director	727	3,697	2,410	2,014	-	2,014
MS gate receipts	474	10,117	10,490	101	-	101
Subtotal high school	3,424	44,229	40,074	7,579	-	7,579
Middle school:						
Athletic director	10	-	-	10	-	10
Subtotal gate receipts	3,434	44,229	40,074	7,589	-	7,589
School projects:						
High school:						
Fees	-	31,404	31,404	-	-	-
National Honor Society	345	-	178	167	-	167
363 degree design	1,456	9,345	9,212	1,589	-	1,589
WES grant award	9	-	9	-	-	-
Yearbook	10,135	13,103	10,977	12,261	-	12,261
Concession	7,877	34,658	35,149	7,386	-	7,386
All sports tournament	5,237	4,771	5,152	4,856	-	4,856
Holcomb coaches	84	-	84	-	-	-
Subtotal high school	25,143	93,281	92,165	26,259	-	26,259
Middle school:						
Fees	-	6,555	6,532	23	-	23
School store	1,043	-	-	1,043	-	1,043
MS concessions	1,717	-	214	1,503	-	1,503
Unity shirt athletics	972	6,773	7,295	450	-	450
Subtotal middle school	3,732	13,328	14,041	3,019	-	3,019
Subtotal school projects	28,875	106,609	106,206	29,278	-	29,278
Total district activity funds	$ 32,309	$ 150,838	$ 146,280	$ 36,867	$ -	$ 36,867

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2023

Fund	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds:				
High school:				
Class of 2016	$ 113	$ -	$ 113	$ -
Class of 2017	378	-	378	-
AP test	351	126	-	477
CBI SB	855	-	596	259
Girls swim	525	1,711	1,362	874
Art club	301	-	-	301
JAG	4,381	1,169	4,072	1,478
Girls basketball	389	110	100	399
Class of 2020	444	-	444	-
Class of 2021	408	-	408	-
The art of the novel	-	28	-	28
Track	-	742	742	-
FFA	36,637	26,740	33,278	30,099
FCCLA	1,615	-	-	1,615
Chorus	6,413	8,711	3,011	12,113
Band	864	304	619	549
Boys golf fundraiser	673	833	1,013	493
Girls golf fundraiser	5,518	-	686	4,832
RIA metal	1,877	250	-	2,127
Drama club	6,138	1,073	218	6,993
Cheerleaders	732	81	-	813
Dance	2,181	864	-	3,045
FCA fundraiser	1,367	72	206	1,233
Bowling fundraiser	16	1,079	982	113
Photo journalism	228	-	-	228
Anime	399	-	399	-
Odyssey of the Mind	416	-	416	-
CBI JA	4	-	-	4
Student council	4,257	1,583	2,065	3,775
KAY club	767	1,773	868	1,672
Class of 2024	195	2,687	2,340	542
Class of 2023	263	50	313	-
Longhorn café	1,619	1,827	1,516	1,930
Class of 2026	-	6,219	4,654	1,565
Volleyball fundraiser	-	567	-	567
Football fundraiser	60	3,497	3,487	70
HALO	1,112	2,024	624	2,512
Student activity fund	1,311	5,513	910	5,914
SADD	1,045	1,902	1,583	1,364
Forensics	707	-	6	701
Science club	3,215	-	128	3,087
Cross country	2,369	-	1,150	1,219
Baseball fundraiser	1,399	310	183	1,526
Wrestling fundraiser	143	565	-	708
Boys basketball fundraiser	-	3,000	3,000	-
Softball fundraiser	2,713	635	3,347	1
Foreign language	4,341	-	643	3,698
Subtotal high school	98,739	76,045	75,860	98,924

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2023

Fund	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds (continued):				
Middle school:				
Cheerleaders	$ 120	$ -	$ -	$ 120
Student council	2,509	2,205	2,722	1,992
HMS art club	1,060	-	-	1,060
Middle school kay club	904	-	-	904
Unhooked	2,668	2,487	1,007	4,148
7th grade class	3	-	-	3
A.R. reading	-	1,448	1,410	38
Theatre fund	494	606	628	472
Poetry slam	30	-	-	30
National history day	-	54	-	54
MS track club	495	-	-	495
MS track	628	-	19	609
MS girls basketball	217	-	-	217
MS weights	113	118	231	-
MS volleyball	227	133	-	360
MS wrestling	2,000	-	1,812	188
MS cheer	216	127	-	343
MS football fundraiser	-	215	-	215
MS scholars bowl	-	570	454	116
Crafting club	274	-	-	274
Gaming club	180	-	-	180
8th grade lock-in	167	-	-	167
SAP	299	-	-	299
Geography club	73	-	-	73
Teen cuisine	40	-	35	5
Subtotal middle school	12,717	7,963	8,318	12,362
Elementary school:				
2nd grade teacher	17	-	-	17
Elementary fun	7,554	11,426	8,606	10,374
4th grade account	110	762	824	48
Elementary STUCO	3,930	419	409	3,940
Elementary craft fair	542	-	542	-
5th grade special projects	5,083	1,456	674	5,865
Elementary PTO book fair	129	7,254	6,248	1,135
First grade account	293	290	310	273
Subtotal elementary school	17,658	21,607	17,613	21,652
Total student organization funds	129,114	105,615	101,791	132,938
Clearing funds:				
High school sales tax	80	8,020	8,087	13
High school interest income	-	3,900	3,900	-
Middle school sales tax	81	727	714	94
Middle school interest income	9	-	9	-
Total clearing funds	170	12,647	12,710	107
Total agency funds	$ 129,284	$ 118,262	$ 114,501	$ 133,045

See Independent Auditor's Report.

APPENDICES

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Unified School District No. 363
Holcomb, Kansas

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 Unified School District No. 363, Holcomb, Kansas as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise Unified School District No. 363's basic financial statement, and have issued our report thereon dated January 13, 2024. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the District has prepared this financial statement on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 363's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial 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 No. 363'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 Unified School District No. 363's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kennedy McKee & Company LLP

January 13, 2024

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

Board of Education
Unified School District No. 363
Holcomb, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 363'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 the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 363 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of 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 No. 363 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kennedy McKee & Company LLP

January 13, 2024

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Agriculture							
Passed through Kansas Department of Education:							
National School Breakfast Program	10.553	D0363	$ -	$ -	$ 72,868	$ 72,868	$ -
National School Lunch Program	10.555	D0363	81,311	-	321,669	402,980	-
Child and Adult Care Food Program	10.558	D0363	-	-	3,030	3,030	-
Summer Food Service Program for Children	10.559	D0363	-	-	26,557	26,557	-
Total U.S. Department of Agriculture			81,311	-	424,124	505,435	-
U.S. Department of Treasury							
Passed through Kansas Department of Education:							
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	D0363	-	-	23,773	23,773	-
U.S. Department of Education							
Passed through Kansas Department of Education:							
Title I	84.010A	D0363	-	-	153,180	153,180	-
Student Support and Academic Enrichment	84.424A	D0363	-	-	18,278	18,278	-
Title II - Supporting Effective Instruction	84.367A	D0363	-	-	19,749	19,749	-
COVID-19 - Elementary & Secondary School Emergency Relief II	84.425D	D0363	(15,748)	-	241,777	226,029	-
COVID-19 - Elementary & Secondary School Emergency Relief III	84.425U	D0363	-	-	306,790	308,100	(1,310)
COVID-19 - Elementary & Secondary School Emergency Relief SPED	84.425D	D0363	-	-	14,855	14,855	-
			(15,748)	-	563,422	548,984	(1,310)
Passed through The Curators of the University of Missouri:							
Supporting Effective Educator Development Program	84.423A	C00063283-16	6,095	-	-	6,095	-
Total U.S. Department of Education			(9,653)	-	754,629	746,286	(1,310)
U.S. Department of Health and Human Services							
Passed through Kansas Department of Education:							
Temporary Assistance for Needy Families	93.558	D0363	(8,995)	-	32,795	42,162	(18,362)
Total federal assistance			$ 62,663	$ -	$ 1,235,321	$ 1,317,656	$ (19,672)

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 363 under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are prepared using the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

C. INDIRECT COST RATE

The District has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

D. AWARDS PASSED THROUGH TO SUBRECIPIENTS

The District did not pass through any awards to subrecipients.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of Unified School District No. 363 was prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statement are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statement of Unified School District No. 363, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies or material weaknesses relating to the audit of internal control over major federal programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for Unified School District No. 363 expresses an unmodified opinion on all major federal programs.

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

7. The program tested as a major program included:

COVID-19 Elementary and Secondary School Emergency Relief	CFDA 84.425D and 84.425U

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

9. Unified School District No. 363 did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.