UNIFIED SCHOOL DISTRICT NO. 348

Baldwin City, Kansas

Financial Statements

For the Year Ended June 30, 2023

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UNIFIED SCHOOL DISTRICT NO. 348
Baldwin City, Kansas
Financial Statements
For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 348
Baldwin City, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 348, Baldwin City, Kansas (the District), 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 of Adverse and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District 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 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statement" section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *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.

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 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 the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, the summary of receipts and disbursements-agency funds, and the schedule of receipts, expenditures and unencumbered cash-district activity (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*. 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* (CFR) *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 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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards,* we have also issued our report dated December 11, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters
Other Matter
The 2022 actual column 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 purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 6, 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 https://admin.ks.gov/offices/oar/municipalservices. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 11, 2023

UNIFIED SCHOOL DISTRICT NO. 348
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 10,380,406	$ 10,380,406	$ -	$ 686,980	$ 686,980
Supplemental General	179,031	-	3,294,434	3,331,003	142,462	-	142,462
Special Purpose Funds:							
At Risk (4 Year Old)	-	-	105,256	87,571	17,685	12,400	30,085
At Risk (K-12)	-	-	907,219	840,199	67,020	139,860	206,880
Bilingual Education	933	-	1,332	1,623	642	-	642
Virtual Education	36,000	-	131,413	127,413	40,000	-	40,000
Capital Outlay	962,567	46,962	1,793,927	1,710,921	1,092,534	310,266	1,402,800
Driver Training	16,531	-	26,879	20,756	22,654	-	22,654
Food Service	398,585	-	919,824	806,855	511,554	14,927	526,481
Professional Development	-	-	33,170	10,446	22,724	-	22,724
Parent Education Program	6,985	-	231,085	191,943	46,127	9,829	55,956
Special Education	175,054	-	3,244,365	2,809,305	610,114	13,244	623,358
Career and Postsecondary Education	-	-	732,998	446,383	286,615	69,609	356,224
KPERS Special Retirement Contribution	-	-	1,097,875	1,097,875	-	-	-
Contingency Reserve	604,190	-	270,269	600,000	274,459	-	274,459
Textbook and Student Material Revolving	113,159	-	234,829	215,825	132,163	1,500	133,663
Recreation Commission	-	-	534,114	534,114	-	-	-
Recreation Commission Employee Benefits	-	-	133,520	133,520	-	-	-
Gifts and Grants	55,764	-	142,958	192,378	6,344	14,024	20,368
Federal Grants	[163,573]	-	756,323	860,047	[267,297]	108,732	[158,565]
Gate Receipts	14,914	-	135,259	127,271	22,902	-	22,902
School Projects	39,906	-	231,013	218,772	52,147	-	52,147
Bond and Interest Fund:							
Bond and Interest	3,803,380	-	2,823,298	2,526,994	4,099,684	-	4,099,684
Total	$ 6,243,426	$ 46,962	$ 28,161,766	$ 27,271,620	$ 7,180,533	$ 1,381,371	$ 8,561,904

Composition of Cash:	
Kansas State Bank	
Checking Accounts	$ 8,705,121
Total Cash	8,705,121
Less: Agency Funds per Schedule 3	[143,217]
Total Reporting Entity (excluding Agency Funds)	$ 8,561,904

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

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 348 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the primary government financial statements and do not include all the entities for which the District is considered to be financially accountable, as required by generally accepted accounting principles. A primary government is a legal entity or public politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as related municipal entities. The Recreation Commission financial data is not included as a related municipal entity in these financial statements.

The Baldwin City Recreation Commission is a joint recreation system established by the District and the City of Baldwin, Kansas, in accordance with K.S.A. 12-1925. The Commission oversees recreational activities. The tax funds for the operation of the Commission are levied by the District and are remitted to the Commission by the District. Bond issues for the Commission must be approved by the District. The Commission can sue and be sued. The acquisition of real property by the Commission must be approved by the District. The Commission as a related municipal entity is not included in these financial statements. A separate audited financial statement of the Recreation Commission can be obtained from the Recreation Commission.

The Baldwin Education Foundation is a not for profit corporation formed under the laws of the State of Kansas. The entity benefits the District's students by raising funds to be used for the student's benefit. The Foundation as a related municipal entity is not included in these financial statements.

Reimbursed Expenses

Expenditures in the amount of $109,431 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

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, and 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 for accounting.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

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

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory 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.

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute) and bond and interest fund. 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 rate 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 General, At Risk (K-12), and Special Education funds were amended during the year ended June 30, 2023.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which regulatory basis 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 District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

A legal operating budget is not required for agency funds and the following special purpose funds: Contingency Reserve, Textbook & Student Material Revolving, Gifts and Grants, Gate Receipts, and School Projects.

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.

NOTE 2 - Deposits and Investments

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

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2023, the District held no such investments.

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 has no designated "peak periods." All deposits were legally secured as of June 30, 2023.

As of June 30, 2023, the District's carrying amount of deposits was $8,705,121 and the bank balance was $8,860,933. The bank balance was held by one bank in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and the balance of $8,610,933 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

NOTE 3 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement 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 the financial statements of the District as of June 30, 2023.

NOTE 4 - Defined Benefit Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes 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 contribution rates are withheld by their employer and paid to KPERS according to 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 dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

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

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal 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.

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 employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,097,875 for the year ended June 30, 2023.

NOTE 4 - Defined Benefit Pension Plan (Continued)

Net Pension Liability. As of June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $10,882,746. 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 these financial statements.

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

NOTE 5 - Compensated Absences

Classified. Twelve-month and ten-month employees hired prior to July 1, 2014, receive 16 and 14 discretionary days, respectively. Twelve-month and ten-month employees hired after July 1, 2014, receive 12 and 10 discretionary days, respectively. Any unused days shall convert to sick days and will be added to the employee's accumulated sick leave, up to a maximum of 65 days. Leave accrued after the 65-day maximum will be reimbursed at a rate of 60% of the certified substitute rate per day. Employees who have 10 years of service and retire or resign will be reimbursed at the rate of 60% of the certified substitute daily rate for all unused accumulated sick leave and employees who have 10 years of service and retire or resign will be reimbursed $10 per day for all unused accumulated sick leave.

A sick leave pool is available for employees to participate in at their discretion. A maximum of 15 days may be awarded from the sick leave pool to those members who have applied and are eligible. Twelve-month employees are eligible for vacation leave after completion of one year of continuous employment.

Vacation time allowed is based upon years of service. Vacation days must be taken by October 31, following the fiscal year in which the days were earned. Vacation days shall not be cumulative or reimbursable. However, after five years or service, employees may carry five vacation days over to the next fiscal year.

Certified. Each certified staff member shall be allowed 12 discretionary days per school year. Any unused days at the end of the school year shall become sick days and be added to the employee's accumulated sick leave. Sick leave can accrue to a maximum of 65 days. Teachers will be reimbursed at a rate equal to 60% of the daily substitute pay for sick leave accrued after the 65-day maximum.

A sick leave pool is available for all certified teaching staff members to participate in.

It is the District's policy to recognize the costs of compensated absences when actually paid.

NOTE 6 - Other Post-Employment Benefits

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. There is no cost to the District under this program.

NOTE 6 - Other Post-Employment Benefits (Continued)

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

NOTE 7 - Flexible Benefit Plan (I.R.C. Section 125)

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following thirty days of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently, all benefits offered through the Plan involve insurance coverage.

NOTE 8 - 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 for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 - Long-Term Debt

The following table summarizes changes in long-term debt for the year ended June 30, 2023:

Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
General Obligation Bonds:					
Series 2012	$ 2,505,000	$ -	$ 135,000	$ 2,370,000	$ 50,519
Series 2015	7,580,000	-	770,000	6,810,000	265,875
Series 2016	2,590,000	-	865,000	1,725,000	56,425
Series 2021	3,935,000	-	320,000	3,615,000	64,175
Total General Obligation Bonds	16,610,000	-	2,090,000	14,520,000	436,994
Finance Leases:					
BESIC Roof Replacement	123,855	-	29,606	94,249	3,716
Energy Conservation Improvements	1,725,000	-	120,000	1,605,000	57,925
BESIC HVAC Equipment	-	507,016	-	507,016	-
Total Finance Leases	1,848,855	507,016	149,606	2,206,265	61,641
Total Long Term Debt	$ 18,458,855	$ 507,016	$ 2,239,606	$ 16,726,265	$ 498,635

NOTE 9 - Long-Term Debt (Continued)

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2023:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2023
General Obligation Bonds:					
Series 2012	12/27/2021	9/1/2026	2.00 - 2.15%	$ 7,560,000	$ 2,370,000
Series 2015	4/9/2015	9/1/2030	3.00 - 4.00%	8,685,000	6,810,000
Series 2016	9/7/2016	9/1/2024	2.00 - 3.00%	8,840,000	1,725,000
Series 2021	9/1/2021	9/1/2027	1.70%	3,935,000	3,615,000
				$ 29,020,000	$ 14,520,000

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 2,155,000	$ 375,069	$ 2,530,069
2025	2,215,000	324,181	2,539,181
2026	2,255,000	270,516	2,525,516
2027	2,320,000	211,551	2,531,551
2028	2,375,000	156,423	2,531,423
2029 - 2031	3,200,000	214,400	3,414,400
Total	$ 14,520,000	$ 1,552,139	$ 16,072,139

Finance Leases. The following table details the District's outstanding finance leases as of June 30, 2023:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2023
Finance Leases:					
BESIC Roof Replacement	6/1/2016	6/1/2026	3.00%	$ 284,225	$ 94,249
Energy Conservation Improvements	5/1/2018	6/30/2034	3.48%	2,035,000	1,605,000
BESIC HVAC Equipment	3/31/2023	7/15/2027	5.00%	507,016	507,016
				$ 2,826,241	$ 2,206,265

NOTE 9 - Long-Term Debt (Continued)

On March 31, 2023, the District entered into a finance lease agreement to purchase HVAC equipment for $507,016. The terms of the lease call for a 5% interest rate, with annual principal and interest payments due each July. The lease matures on July 15, 2027.

The annual debt service requirements to maturity for the finance leases is as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 267,490	$ 89,736	$ 357,227
2025	281,625	71,253	352,878
2026	293,915	59,527	353,442
2027	273,234	47,277	320,511
2028	140,000	35,486	175,486
2029 - 2033	775,000	99,586	874,586
2034	175,000	3,044	178,044
Total	$ 2,206,265	$ 405,909	$ 2,612,175

Legal Debt Margin. The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The ratio of net bonded debt to the assessed valuation as of June 30, 2023, was 11.57%.

NOTE 10 - Interfund Transactions

Transfers for the year ended June 30, 2023, are approved by the Board of Education and are as follows:

From	To	Amount	Regulatory Authority
General	At Risk (4 Year Old)	$ 95,256	K.S.A. 72-5167
General	At Risk (K-12)	680,378	K.S.A. 72-5167
General	Virtual Education	77,913	K.S.A. 72-5167
General	Professional Development	16,900	K.S.A. 72-5167
General	Special Education	2,071,207	K.S.A. 72-5167
General	Career and Postsecondary Education	308,328	K.S.A. 72-5167
General	Parent Education Program	11,650	K.S.A. 72-5167
General	Contingency Reserve	270,269	K.S.A. 72-5167
General	Textbook & Student Material Revolving	8,504	K.S.A. 72-5167
Supplemental General	At Risk (4 Year Old)	10,000	K.S.A. 72-5143
Supplemental General	At Risk (K-12)	226,841	K.S.A. 72-5143
Supplemental General	Parent Education Program	102,000	K.S.A. 72-5143
Supplemental General	Special Education	818,511	K.S.A. 72-5143
Supplemental General	Bilingual Education	1,332	K.S.A. 72-5143
Supplemental General	Virtual Education	53,500	K.S.A. 72-5143
Supplemental General	Career and Postsecondary Education	417,945	K.S.A. 72-5143
Supplemental General	Textbook & Student Material Revolving	50,000	K.S.A. 72-5143
Supplemental General	Driver Training	10,000	K.S.A. 72-5143
Supplemental General	Professional Development	14,540	K.S.A. 72-5143
Contingency Reserve	Supplemental General	596,390	K.S.A. 72-5165
		$ 5,841,464	

NOTE 11 - Statutory Violations

During the year ended June 30, 2023, expenditures chargeable to the current year exceeded budgetary authority in the Recreation Commission Fund and the Recreation Commission Employee Benefits Fund. This is a violation of K.S.A. 79-2935, which requires the District to not expended funds in excess of its budgetary authority.

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UNIFIED SCHOOL DISTRICT NO. 348
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended June 30, 2023

Fund	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over [Under]
General Funds:						
General	$ 10,283,701	$ [12,726]	$ 109,431	$ 10,380,406	$ 10,380,406	$ -
Supplemental General	3,331,003	-	-	3,331,003	3,331,003	-
Special Purpose Funds:						
At Risk (4 Year Old)	123,575	-	-	123,575	87,571	[36,004]
At Risk (K-12)	907,219	-	-	907,219	840,199	[67,020]
Bilingual Education	5,500	-	-	5,500	1,623	[3,877]
Virtual Education	199,510	-	-	199,510	127,413	[72,097]
Capital Outlay	2,184,800	-	-	2,184,800	1,710,921	[473,879]
Driver Training	25,132	-	-	25,132	20,756	[4,376]
Food Service	1,102,502	-	-	1,102,502	806,855	[295,647]
Professional Development	20,000	-	-	20,000	10,446	[9,554]
Parent Education Program	229,420	-	-	229,420	191,943	[37,477]
Special Education	2,809,305	-	-	2,809,305	2,809,305	-
Career and Postsecondary Education	624,530	-	-	624,530	446,383	[178,147]
KPERS Special Retirement Contribution	1,254,812	-	-	1,254,812	1,097,875	[156,937]
Recreation Commission	510,000	-	-	510,000	534,114	24,114
Recreation Commission Employee Benefits	125,000	-	-	125,000	133,520	8,520
Federal Grants	915,906	-	-	915,906	860,047	[55,859]
Bond and Interest Fund						
Bond and interest	3,527,095	-	-	3,527,095	2,526,994	[1,000,101]

See independent auditor's report on the financial statements.

SCHEDULE 2-1

UNIFIED SCHOOL DISTRICT NO. 348
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid:				
General aid	$ 8,248,209	$ 8,569,078	$ 8,556,150	$ 12,928
Special education aid	1,626,541	1,701,526	1,623,696	77,830
Miscellaneous	91	371	-	371
Reimbursed expenses	93,185	109,431	-	109,431
Total Receipts	9,968,026	10,380,406	$ 10,179,846	$ 200,560
Expenditures				
Instruction	2,778,028	3,014,290	$ 2,796,172	$ 218,118
Student support services	370,660	312,263	382,726	[70,463]
Instructional support staff	348,168	360,655	349,067	11,588
General administration	306,487	253,752	304,797	[51,045]
School administration	950,670	915,593	978,401	[62,808]
Central services	354,856	331,239	358,523	[27,284]
Operations and maintenance	1,505,795	1,178,619	1,611,405	[432,786]
Transportation	518,174	473,591	482,124	[8,533]
Other support services	-	-	15,000	[15,000]
Transfer out	2,835,188	3,540,404	3,005,486	534,918
Adjustment to comply with legal max budget	-	-	[12,726]	12,726
Adjustment for qualifying budget credits	-	-	109,431	[109,431]
Total Expenditures	9,968,026	10,380,406	$ 10,380,406	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 1,289,846	$ 978,209	$ 1,694,750	$ [716,541]
Delinquent tax	15,318	20,752	19,811	941
Motor vehicle tax	169,054	171,126	156,663	14,463
Recreational vehicle tax	3,440	3,357	4,979	[1,622]
Commercial vehicle tax	-	-	5,642	[5,642]
State aid:				
Equalization aid	1,504,008	1,524,600	1,524,600	-
Transfer in	-	596,390	-	596,390
Total Receipts	2,981,666	3,294,434	$ 3,406,445	$ [112,011]
Expenditures				
Instruction	1,751,262	1,591,270	$ 1,811,249	$ [219,979]
Operations and maintenance	33,520	35,064	34,000	1,064
Transfer out	1,329,107	1,704,669	1,485,754	218,915
Total Expenditures	3,113,889	3,331,003	$ 3,331,003	$ -
Receipts Over [Under] Expenditures	[132,223]	[36,569]		
Unencumbered Cash, Beginning	311,254	179,031		
Unencumbered Cash, Ending	$ 179,031	$ 142,462		

See independent auditor's report on the financial statements.

SCHEDULE 2-3

UNIFIED SCHOOL DISTRICT NO. 348
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 65,560	$ 105,256	$ 123,575	$ [18,319]
Total Receipts	65,560	105,256	$ 123,575	$ [18,319]
Expenditures				
Instruction	54,408	78,241	$ 111,575	$ [33,334]
School administration	11,152	9,330	12,000	[2,670]
Total Expenditures	65,560	87,571	$ 123,575	$ [36,004]
Receipts Over [Under] Expenditures	-	17,685		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 17,685		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
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 Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Transfer in	$ 701,941	$ 907,219	$ 863,255	$ 43,964
Total Receipts	701,941	907,219	$ 863,255	$ 43,964
Expenditures				
Instruction	633,994	770,702	$ 810,219	$ [39,517]
Student support services	67,947	69,497	97,000	[27,503]
Total Expenditures	701,941	840,199	$ 907,219	$ [67,020]
Receipts Over [Under] Expenditures	-	67,020		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 67,020		

See independent auditor's report on the financial statements.

SCHEDULE 2-5

UNIFIED SCHOOL DISTRICT NO. 348
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Transfer in	$ 4,327	$ 1,332	$ 4,567	$ [3,235]
Total Receipts	4,327	1,332	$ 4,567	$ [3,235]
Expenditures				
Instruction	3,394	1,623	$ 5,500	$ [3,877]
Total Expenditures	$ 3,394	$ 1,623	$ 5,500	$ [3,877]
Receipts Over [Under] Expenditures	933	[291]		
Unencumbered Cash, Beginning	-	933		
Unencumbered Cash, Ending	$ 933	$ 642		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Transfer in	$ 160,528	$ 131,413	$ 163,510	$ [32,097]
Total Receipts	160,528	131,413	$ 163,510	$ [32,097]
Expenditures				
Instruction	124,528	127,413	$ 199,510	$ [72,097]
Total Expenditures	124,528	127,413	$ 199,510	$ [72,097]
Receipts Over [Under] Expenditures	36,000	4,000		
Unencumbered Cash, Beginning	-	36,000		
Unencumbered Cash, Ending	$ 36,000	$ 40,000		

See independent auditor's report on the financial statements.

SCHEDULE 2-7

UNIFIED SCHOOL DISTRICT NO. 348
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 828,729	$ 859,660	$ 808,541	$ 51,119
Delinquent tax	7,983	11,207	12,774	[1,567]
Motor vehicle tax	94,078	100,613	91,927	8,686
Recreational vehicle	1,914	1,955	2,921	[966]
Commercial vehicle	-	-	3,310	[3,310]
State aid	295,497	298,900	302,760	[3,860]
Investment income	718	11,528	-	11,528
Miscellaneous	60,893	3,048	-	3,048
Lease proceeds	-	507,016	-	507,016
Total Receipts	1,289,812	1,793,927	$ 1,222,233	$ 571,694
Expenditures				
Instruction	319,987	300,144	$ 391,850	$ [91,706]
Operations and maintenance	68,689	261,503	250,000	11,503
Transportation	95,446	103,837	231,000	[127,163]
Facility acquisition and repair	602,139	1,045,437	1,311,950	[266,513]
Total Expenditures	1,086,261	1,710,921	$ 2,184,800	$ [473,879]
Receipts Over [Under] Expenditures	203,551	83,006		
Unencumbered Cash, Beginning	741,016	962,567		
Prior Year Canceled Encumbrance	18,000	46,962		
Unencumbered Cash, Ending	$ 962,567	$ 1,092,534		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 4,504	$ 5,260	$ 5,400	$ [140]
Charges for services	6,900	11,619	3,200	8,419
Transfer in	-	10,000	-	10,000
Total Receipts	11,404	26,879	$ 8,600	$ 18,279
Expenditures				
Instruction	8,343	10,356	$ 20,132	$ [9,776]
Vehicle operating and maintenance services	4,900	10,400	5,000	5,400
Total Expenditures	13,243	20,756	$ 25,132	$ [4,376]
Receipts Over [Under] Expenditures	[1,839]	6,123		
Unencumbered Cash, Beginning	18,370	16,531		
Unencumbered Cash, Ending	$ 16,531	$ 22,654		

See independent auditor's report on the financial statements.

SCHEDULE 2-9

UNIFIED SCHOOL DISTRICT NO. 348
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 965,860	$ 542,194	$ 370,482	$ 171,712
State aid	6,465	5,375	6,180	[805]
Charges for services	46,140	321,679	352,275	[30,596]
Miscellaneous	6,316	4,743	-	4,743
Investment income	3,783	45,833	-	45,833
Total Receipts	1,028,564	919,824	$ 728,937	$ 190,887
Expenditures				
Food service	739,126	806,855	$ 1,102,502	$ [295,647]
Total Expenditures	739,126	806,855	$ 1,102,502	$ [295,647]
Receipts Over [Under] Expenditures	289,438	112,969		
Unencumbered Cash, Beginning	109,147	398,585		
Unencumbered Cash, Ending	$ 398,585	$ 511,554		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over [Under]
Receipts				
State aid	$ -	$ 1,730	$ 7,560	$ [5,830]
Transfer in	11,474	31,440	12,440	19,000
Total Receipts	11,474	33,170	$ 20,000	$ 13,170
Expenditures				
Instructional support staff	11,474	10,171	$ 20,000	$ [9,829]
Central services	-	275	-	275
Total Expenditures	11,474	10,446	$ 20,000	$ [9,554]
Receipts [Under] Expenditures	-	22,724		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 22,724		

See independent auditor's report on the financial statements.

SCHEDULE 2-11

UNIFIED SCHOOL DISTRICT NO. 348
Parent Education Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 118,985	$ 117,435	$ 117,435	$ -
Investment income	-	-	10,000	[10,000]
Transfer in	93,000	113,650	95,000	18,650
Total Receipts	211,985	231,085	$ 222,435	$ 8,650
Expenditures				
Student support services	204,483	190,838	$ 229,420	$ [38,582]
School administration	517	1,105	-	1,105
Total Expenditures	205,000	191,943	$ 229,420	$ [37,477]
Receipts [Under] Expenditures	6,985	39,142		
Unencumbered Cash, Beginning	-	6,985		
Unencumbered Cash, Ending	$ 6,985	$ 46,127		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 73,750	$ 265,025	$ 50,000	$ 215,025
Investment income	3,065	59,783	5,000	54,783
Miscellaneous revenues	72,345	29,839	-	29,839
Transfer in	2,561,962	2,889,718	2,642,563	247,155
Total Receipts	2,711,122	3,244,365	$ 2,697,563	$ 546,802
Expenditures				
Instruction	2,505,112	2,597,293	$ 2,622,788	$ [25,495]
Student support services	91,055	79,266	94,354	[15,088]
Vehicle operating services	88,869	132,746	92,163	40,583
Total Expenditures	2,685,036	2,809,305	$ 2,809,305	$ -
Receipts Over [Under] Expenditures	26,086	435,060		
Unencumbered Cash, Beginning	148,968	175,054		
Unencumbered Cash, Ending	$ 175,054	$ 610,114		

See independent auditor's report on the financial statements.

SCHEDULE 2-13

UNIFIED SCHOOL DISTRICT NO. 348
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 Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for services	$ 5,539	$ 6,225	$ 5,700	$ 525
State aid	-	500	32,500	[32,000]
Transfer in	584,658	726,273	586,330	139,943
Total Receipts	590,197	732,998	$ 624,530	$ 108,468
Expenditures				
Instruction	585,061	446,383	$ 608,480	$ [162,097]
Transportation	5,136	-	16,050	[16,050]
Total Expenditures	590,197	446,383	$ 624,530	$ [178,147]
Receipts Over [Under] Expenditures	-	286,615		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 286,615		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
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 Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 1,091,141	$ 1,097,875	$ 1,254,812	$ [156,937]
Total Receipts	1,091,141	1,097,875	$ 1,254,812	$ [156,937]
Expenditures				
Instruction	696,039	700,332	$ 800,444	$ [100,112]
Student support services	55,866	56,211	64,246	[8,035]
Instructional support	28,479	28,655	32,751	[4,096]
General administration	25,860	26,020	29,739	[3,719]
School administration	98,312	98,919	113,059	[14,140]
Central services	59,249	59,615	38,648	20,967
Operations and maintenance	59,249	59,615	68,136	[8,521]
Transportation	34,480	34,693	68,136	[33,443]
Food service	33,607	33,815	39,653	[5,838]
Total Expenditures	1,091,141	1,097,875	$ 1,254,812	$ [156,937]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

SCHEDULE 2-15

UNIFIED SCHOOL DISTRICT NO. 348
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Transfer in	$ -	$ 270,269
Total Receipts	-	270,269
Expenditures		
Central services	-	3,610
Transfer out	19,155	596,390
Total Expenditures	19,155	600,000
Receipts Over [Under] Expenditures	[19,155]	[329,731]
Unencumbered Cash, Beginning	604,190	604,190
Prior Year Canceled Encumbrance	19,155	-
Unencumbered Cash, Ending	$ 604,190	$ 274,459

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Textbook & Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 96,087	$ 109,613
Investment income	-	66,712
Transfer in	-	58,504
Total Receipts	96,087	234,829
Expenditures		
Instruction	90,947	215,825
Total Expenditures	90,947	215,825
Receipts Over [Under] Expenditures	5,140	19,004
Unencumbered Cash, Beginning	108,019	113,159
Unencumbered Cash, Ending	$ 113,159	$ 132,163

* This fund is not required to be budgeted.

SCHEDULE 2-17

UNIFIED SCHOOL DISTRICT NO. 348
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 414,402	$ 476,764	$ 454,707	$ 22,057
Delinquent tax	4,118	6,062	6,387	[325]
Motor vehicle tax	47,037	50,310	4,955	45,355
Recreational vehicle tax	957	978	1,461	[483]
Commercial vehicle tax	-	-	1,655	[1,655]
Miscellaneous	-	-	40,000	[40,000]
Total Receipts	466,514	534,114	$ 509,165	$ 24,949
Expenditures				
Community service operations	466,514	534,114	$ 510,000	$ 24,114
Total Expenditures	466,514	534,114	$ 510,000	$ 24,114
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
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 Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 103,599	$ 119,191	$ 113,690	$ 5,501
Delinquent tax	1,029	1,513	1,597	[84]
Motor vehicle tax	11,747	12,572	11,481	1,091
Recreational vehicle tax	239	244	364	[120]
Commercial vehicle tax	-	-	413	[413]
Miscellaneous	-	-	25,000	[25,000]
Total Receipts	116,614	133,520	$ 152,545	$ [19,025]
Expenditures				
Community service operations	116,614	133,520	$ 125,000	$ 8,520
Total Expenditures	116,614	133,520	$ 125,000	$ 8,520
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

SCHEDULE 2-19

UNIFIED SCHOOL DISTRICT NO. 348
Gifts and Grants Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal aid	$ 48,000	$ 128,095
Miscellaneous	21,807	14,863
Total Receipts	69,807	142,958
Expenditures		
Instruction	23,714	161,309
Student support services	-	31,069
Total Expenditures	23,714	192,378
Receipts Over [Under] Expenditures	46,093	[49,420]
Unencumbered Cash, Beginning	9,671	55,764
Unencumbered Cash, Ending	$ 55,764	$ 6,344

* This funds is not required to be budgeted.

See independent auditor's report on the financial statements.

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SCHEDULE 2-20

UNIFIED SCHOOL DISTRICT NO. 348
Federal Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Title I	CARES	ESSER I	ESSER II
Receipts				
Federal aid	$ 123,397	$ 152,661	$ -	$ 205,043
Total Receipts	123,397	152,661	-	205,043
Expenditures				
Instruction	160,287	-	579	76,784
Student support services	-	264,329	-	67,006
Instructional support staff	-	-	-	-
Operations and maintence	-	-	-	-
Transportation	-	-	-	-
Total Expenditures	160,287	264,329	579	143,790
Receipts Over [Under] Expenditures	[36,890]	[111,668]	[579]	61,253
Unencumbered Cash, Beginning	14,000	[9,490]	579	[73,497]
Unencumbered Cash, Ending	$ [22,890]	$ [121,158]	$ -	$ [12,244]

See independent auditor's report on the financial statements.

ESSER III	ARP Homeless I	ARP Homeless II	ARP Homeless Children and Youth	Actual	Budget	Variance Over [Under]
$ 254,610	$ 2,578	$ 17,900	$ 134	$ 756,323	$ 1,079,480	$ [323,157]
254,610	2,578	17,900	134	756,323	$ 1,079,480	$ [323,157]
247,680	-	9,480	-	494,810	$ 713,074	$ [218,264]
24,086	2,238	-	-	357,659	161,610	196,049
-	-	-	-	-	4,460	[4,460]
-	-	-	-	-	36,762	[36,762]
-	-	7,578	-	7,578	-	7,578
271,766	2,238	17,058	-	860,047	$ 915,906	$ [55,859]
[17,156]	340	842	134	[103,724]		
[94,329]	-	[836]	-	[163,573]		
$ [111,485]	$ 340	$ 6	$ 134	$ [267,297]		

See independent auditor's report on the financial statements.

SCHEDULE 2-21

UNIFIED SCHOOL DISTRICT NO. 348
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts from the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 1,503,614	$ 1,750,982	$ 1,648,407	$ 102,575
Delinquent tax	16,554	23,067	23,156	[89]
Motor vehicle tax	176,439	186,439	170,441	15,998
Recreational vehicle tax	3,589	3,632	5,416	[1,784]
Commercial vehicle tax	-	-	6,138	[6,138]
State aid	856,044	859,178	1,233,212	[374,034]
Miscellaneous	6	-	-	-
Bond proceeds	3,935,000	-	-	-
Total Receipts	6,491,246	2,823,298	$ 3,086,770	$ [263,472]
Expenditures				
Principal	5,945,000	2,090,000	$ 3,090,000	$ [1,000,000]
Interest	507,776	436,994	436,995	[1]
Bond issuance costs	-	-	100	[100]
Total Expenditures	6,452,776	2,526,994	$ 3,527,095	$ [1,000,101]
Receipts Over [Under] Expenditures	38,470	296,304		
Unencumbered Cash, Beginning	3,764,910	3,803,380		
Unencumbered Cash, Ending	$ 3,803,380	$ 4,099,684		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
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 ORGANIZATIONS				
Baldwin Elementary Intermediate Center				
Student Council	$ 558	$ 190	$ -	$ 748
Subtotal Baldwin Elementary Intermediate Center Student Organization Funds	558	190	-	748
Baldwin Elementary Primary Center				
All Day Kindergarten Fees	176	-	-	176
Subtotal Baldwin Elementary Primary Center Student Organization Funds	176	-	-	176
Total Elementary School Student Organization Funds	734	190	-	924
Baldwin Junior High School				
Art	51	-	-	51
Band	1,459	300	300	1,459
Basketball	2,045	445	1,453	1,037
Champions Club	437	5,317	4,944	810
Field Trip	256	3,771	3,090	937
Imagination Club	85	-	-	85
Cheerleaders	682	1,005	1,051	636
Chorus	59	730	295	494
Football	1,666	2,541	1,561	2,646
Stuco	2,353	1,114	1,783	1,684
Track	3,020	40	202	2,858
Volleyball	1,452	855	964	1,343
Wrestling	-	620	620	-
Yearbook	5,026	1,947	373	6,600
Total Baldwin Junior High Student Organization Funds	18,591	18,685	16,636	20,640
Total Junior High School Student Organization Funds	18,591	18,685	16,636	20,640

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Agency Funds
Summary of Receipts and Disbursements (Continued)
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
STUDENT ORGANIZATIONS - CONTINUED				
Baldwin High School				
Art Club	$ 2,400	$ 1,041	$ 992	$ 2,449
Band	203	8,716	4,983	3,936
Baseball	4,392	9,087	13,511	[32]
Boys Basketball	3,298	7,579	7,331	3,546
Boys Soccer	2,004	18,807	4,865	15,946
Boys Tennis	331	146	280	197
Bridges	18	1,930	1,911	37
Cheerleaders	6,897	17,400	19,469	4,828
Class of '19	132	-	-	132
Class of '21	63	-	-	63
Class of '22	1,348	-	-	1,348
Class of '23	3,221	1,478	2,690	2,009
Class of '24	729	6,381	3,848	3,262
Class of '25	1,106	165	-	1,271
Class of '26	-	1,046	14	1,032
Community Bulldog Day (Business)	175	-	-	175
Concessions	2,070	22,721	21,934	2,857
Cross Country/Track	1,917	6,959	7,108	1,768
Debate	181	-	-	181
Environmental Science	-	1,101	-	1,101
FACS	1,827	7,915	8,447	1,295
FBLA	6,077	808	1,135	5,750
FCCLA	1,951	1,103	815	2,239
Football	7,246	16,362	20,895	2,713
Forensics	96	300	136	260
Girls Basketball	2,442	6,685	3,489	5,638
Girls Golf	-	4,550	-	4,550
Girls Soccer	588	1,320	1,496	412
Girls Tennis	1,507	273	1,240	540
Golf	1,570	2,862	3,570	862
Highway Championship Sign	4,311	-	431	3,880
International Club	124	-	36	88
Journalism	324	16,085	16,409	-
Mardi Gras (SPED)	1,207	2,478	2,426	1,259
National Honor Society	278	100	208	170
Pom Squad	1,581	9,095	9,250	1,426
Prior System Outstanding	600	-	-	600
Scholar's Bowl	897	40	645	292
Softball	1,016	9,616	8,475	2,157
Spanish Trip	428	437	-	865
SPEAK	61	3,614	3,598	77
Stuco Heart Awareness	922	-	298	624
Student Council	4,589	1,641	1,468	4,762
The Avant	3,259	700	2,056	1,903
Unified Bowling	-	2,580	780	1,800
Volleyball	2,613	5,203	5,605	2,211
Wrestling	3,063	27,737	30,748	52
Total Baldwin High School Student Organization Funds	78,193	226,061	212,592	92,531
Total High School Student Organization Funds	78,193	226,061	212,592	92,531
BOTA Fund	-	134,650	134,650	-
Payroll Clearing Fund	26,926	28,614	26,418	29,122
Total Agency Funds	$ 124,444	$ 408,200	$ 390,296	$ 143,217

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GATE RECEIPTS							
Baldwin High School							
Athletics gate	$ 4,358	$ -	$ 104,203	$ 105,532	$ 3,029	$ -	$ 3,029
Musical	10,556	-	2,904	2,251	11,209	-	11,209
Baldwin Junior High School							
Athletics	-	-	28,152	19,488	8,664	-	8,664
Subtotal gate receipts	14,914	-	135,259	127,271	22,902	-	22,902
SCHOOL PROJECTS							
Baldwin Elementary Intermediate Center							
Petty Cash	-	-	750	750	-	-	-
Building	1,599	-	2,193	2,334	1,458	-	1,458
Building Rental	-	-	100	100	-	-	-
Food Service	[565]	-	17,639	17,639	[565]	-	[565]
Classroom Support	773	-	3,520	3,217	1,076	-	1,076
Character Council	15	-	-	-	15	-	15
Garden	2,836	-	2,050	1,220	3,666	-	3,666
PE	25	-	-	-	25	-	25
Student Emergency	543	-	250	52	741	-	741
Yearbook	1,869	-	1,080	796	2,153	-	2,153
Fees (Online Enrollment)	-	-	3,935	3,935	-	-	-
Music	844	-	2,464	2,793	515	-	515
Library	15	-	4,419	4,119	315	-	315
Subtotal Baldwin Elementary Intermediate Center	7,954	-	38,400	36,955	9,399	-	9,399
Baldwin Elementary Primary Center							
Classroom Support	6,281	-	20,233	10,437	16,077	-	16,077
Family Aide	57	-	-	-	57	-	57
Field Trips	2,438	-	5,666	6,104	2,000	-	2,000
Food Service	[100]	-	15,379	15,624	[345]	-	[345]
Library	1,475	-	2,409	2,420	1,464	-	1,464
Petty Cash	-	-	750	-	750	-	750
Social Worker Family Support	802	-	-	29	773	-	773
Time 4 Kids	291	-	-	-	291	-	291
Textbook	-	-	5,510	5,510	-	-	-
Yearbook	6,168	-	1,405	973	6,600	-	6,600
Subtotal Baldwin Elementary Primary Center	17,412	-	51,352	41,097	27,667	-	27,667

UNIFIED SCHOOL DISTRICT NO. 348
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
SCHOOL PROJECTS - CONTINUED							
Baldwin Junior High School							
Administration	$ 101	$ -	$ 4,766	$ 3,158	$ 1,709	$ -	$ 1,709
Art Club	590	-	-	539	51	-	51
Building Rental	-	-	200	200	-	-	-
Bulldog Club	-	-	590	165	425	-	425
Chromebooks	-	-	5,310	5,310	-	-	-
Chromebook Service	-	-	190	190	-	-	-
Donations	-	-	1,200	71	1,129	-	1,129
Food Service	-	-	20,362	20,362	-	-	-
Kansas Sales Tax	-	-	3,025	3,025	-	-	-
Petty Cash	-	-	2,181	2,181	-	-	-
Library	220	-	33	-	253	-	253
Instrument Rental	-	-	280	280	-	-	-
Social Worker	50	-	999	-	1,049	-	1,049
Textbook	-	-	3,815	3,815	-	-	-
User Fees	-	-	4,700	4,700	-	-	-
Subtotal Baldwin Junior High School	961	-	47,651	43,996	4,616	-	4,616
Baldwin High School							
Administration	1,543	-	5,424	6,008	959	-	959
Academic Night	141	-	-	-	141	-	141
Band Instrument Rental	-	-	427	427	-	-	-
Baseball and Softball Complex Improvement	289	-	-	-	289	-	289
Drivers Ed	-	-	11,430	11,430	-	-	-
Food Service	-	-	20,700	20,700	-	-	-
France Trip	527	-	-	41	486	-	486
iPad Fee	-	-	5,265	5,265	-	-	-
Parking Permits	-	-	202	202	-	-	-
Petty Cash	-	-	1,500	1,500	-	-	-
Sales Tax	-	-	12,270	12,270	-	-	-
Woodshop	-	-	2,679	2,679	-	-	-
Testing	1,380	-	2,970	2,710	1,640	-	1,640
Textbook	-	-	8,435	8,435	-	-	-
User Fee	-	-	9,150	9,150	-	-	-
Vocal Music	4,392	-	3,252	5,091	2,553	-	2,553
Yearbook	5,307	-	9,906	10,816	4,397	-	4,397
Subtotal Baldwin High School	13,579	-	93,610	96,724	10,465	-	10,465
Subtotal school projects	39,906	-	231,013	218,772	52,147	-	52,147
Total district activity funds	$ 54,820	$ -	$366,272	$ 346,043	$ 75,049	$ -	$ 75,049

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	$ 7,000	$ 123,397	$ 153,287	$ [22,890]
Education for Homeless Children and Youth	84.196	[836]	19,790	19,444	[490]
Supporting Effective Instruction State Grants	84.367	7,000	-	7,000	-
Education Stabilization Fund	84.425	[167,248]	514,475	468,457	[121,230]
Total U.S. Department of Education			657,662	648,188	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for Needy Families	93.558	-	6,000	-	6,000
Total Temporary Assistance for Needy Families Cluster			6,000	-	
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	-	152,661	152,661	-
Total U.S. Department of Health and Human Services			158,661	152,661	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast	10.553	-	364,662	364,662	-
National School Lunch Program	10.555	-	49,628	49,628	-
Summer Food Service Program for Children	10.559	-	127,904	127,904	-
Total Child Nutrition Cluster		-	542,194	542,194	-
Total U.S. Department of Agriculture			542,194	542,194	
Total Expenditures of Federal Awards			$ 1,358,517	$ 1,343,043	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 348

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. Organization

Unified School District No. 348, Baldwin City, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

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

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2023.

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis) Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? ____ Yes ___X___ No

Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes ___X___ None reported

Noncompliance material to financial statements noted? ____ Yes ___X___ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ____ Yes ___X___ No

Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes ___X___ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? ____ Yes ___X___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? ____ Yes ___X___ No

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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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. 348
Baldwin City, Kansas

We have audited, 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 *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 348 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 11, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 statements, 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 controls 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 financial statements 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 charge with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 11, 2023

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

Board of Education
Unified School District No. 348
Baldwin City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 348, Baldwin City, Kansas (the District), 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, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirement 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 grants 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 of the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement 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.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 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 the 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 the internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2023, and have issued our report thereon dated December 11, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements 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 financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 11, 2023

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AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT

Board of Education
Unified School District No. 348
Baldwin City, Kansas

We have audited the financial statements of the Unified School District No. 348 (the District), Baldwin City, Kansas, for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 11, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We were engaged to report on regulatory required supplementary information which accompanies the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting policies used by the District as described in Note 1 to the financial statements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the use of the board of education and management of the Unified School District No. 348, Baldwin City, Kansas, and is not intended to be, and should not be, used by anyone other than these specified parties.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 11, 2023