UNIFIED SCHOOL DISTRICT NO. 108
WASHINGTON, KANSAS

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

BRUNA AUDITING SERVICES LLC
DEREK BRUNA
CERTIFIED PUBLIC ACCOUNTANT
WASHINGTON, KANSAS

Unified School District No. 108
Washington, Kansas

Financial Statements
For the fiscal year ended June 30, 2023

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 108
Washington, Kansas 66968

Adverse and Unmodified Opinions

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 108, 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 my opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of my report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 108 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 my opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 108 as of June 30, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Basis for Adverse and Unmodified Opinions
I conducted my audit in accordance with auditing standards generally accepted in the United State of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide.* My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statement section of my report. I am required to be independent of Unified School District No. 108, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relation to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note A of the financial statement, the financial statement is prepared by Unified School District No. 108 on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide,* which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United State of America, although not reasonably determinable, are presumed to be material.

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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
My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud my involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are 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, I:

- 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 School 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

I am 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

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Statements 2, 3, and 4, as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide.* The schedule of expenditures of federal awards (Schedule 5 as listed in the table of contents) is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 108 as of and for the year ended June 30, 2022 (not presented herein), and have issued my report thereon dated 02/13/23, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and my 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/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2023 (Statement 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 my opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note A.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* I have also issued my report dated December 11, 2023 on my consideration of Unified School District No. 108's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 108's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 108's internal control over financial reporting and compliance.

Bruna Auditing Services LLC
Derek Bruna, CPA
February 12, 2024

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

To the Board of Education
Unified School District No. 108
Washington, Kansas

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 108, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statement, which comprise Unified School District No. 108's basic financial statement, and have issued my report thereon dated February 12 2024, which was qualified because Unified School District No. 108 prepares its financial statements to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide,* which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting
In planning and performing my audit of the financial statement, I considered the School 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 my opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, I do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether Unified School District No. 108's financial statement is free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Bruna Auditing Services LLC
Derek Bruna, CPA
February 12, 2024

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
Regulatory Basis
For The Year Ended June 30, 2023

STATEMENT 1

Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	Ending Cash Balance
General Funds:								
General Fund	3-1	$ 0	$ 0	$ 3,533,145	$ 3,533,145	$ 0	$ 0	$ 0
Supplemental General	3-2	51,516	0	1,226,740	1,177,414	100,842	0	100,842
Special Purpose Funds:								
At Risk-(K 12) Fund	3-3	0	0	417,764	417,764	0	0	0
Capital Outlay Fund	3-4	295,664	0	556,321	505,284	346,701	0	346,701
Driver Training	3-5	7,746	0	7,228	5,320	9,654	0	9,654
Title I	3-6	0	0	74,185	74,185	0	0	0
Class Size Reduction Fund	3-7	0	0	13,173	13,173	0	0	0
Food Service Fund	3-8	107,240	0	296,195	277,885	125,550	0	125,550
21st CCLC Fund	3-9	0	0	180,371	181,287	(916)	0	(916)
Gifts and Grants Fund	3-10	19,776	0	21,321	21,267	19,830	0	19,830
Parents as Teachers Fund	3-11	0	0	10,500	10,500	0	0	0
Special Education Fund	3-12	17,951	0	571,872	569,310	20,513	0	20,513
Small Rural School Fund	3-13	0	0	29,184	29,184	0	0	0
Career & Post Secondary Ed Fund	3-14	0	0	194,015	194,015	0	0	0
Kpers Retirement Fund	3-15	0	0	407,055	407,055	0	0	0
Contingency Reserve Fund	3-16	59,949	0	0	0	59,949	0	59,949
Textbook Rental Fund	3-17	30,159	0	13,865	0	44,024	0	44,024
Professional Dev Fund	3-19	0	0	20,000	20,000	0	0	0
Second Step Fed Grant Fund	3-20	2,167	0	0	361	1,806	0	1,806
ELC K-12 Grant	3-21	(3,635)	0	50,931	180,398	(133,102)	0	(133,102)
Title IVA Fund	3-22	0	0	13,768	13,768	0	0	0
Bilingual Fund	3-23	0	0	18,917	18,917	0	0	0
ESSER I/ESSER II/SPARK/CARES	3-24	(5,059)	0	598,801	593,742	0	0	0
At Risk-(Preschool) Fund	3-25	0	0	62,998	62,998	0	0	0
Building Improvement Fund	3-26	1,562,102	0	0	1,562,102	0	0	0
Activity Fund	4	55,304	0	195,557	183,071	67,790	0	67,790
Bond and Interest Funds:								
Bond and Interest Fund	3-18	$ 114,771	0	115,195	42,847	187,119	0	187,119
Total Reporting Entity (Exluding Agency)		$ 2,315,651 #	0	8,629,101 #	10,094,992	849,760	0	849,760

Composition of Cash					
Investments					
Money Market Accounts	$ 0	Cash in Checking		Total Cash	925,791
Money Market Accounts Other	0	Op Accounts-District	781,970	Less Agency/Trust Funds (Statement 4 & 5)	(76,031)
Certificate of Deposit	0	Op Accounts-Agency/Activity	143,821	Total Cash Excluding Agency/Trust Funds	849,760
	0	Trust Funds	0		

See Accountant's Report and Accompanying Notes

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 108 is a municipal Corporation established under Kansas Statute. All USDs in Kansas are required to be audited under K.S.A. 75-1122. The District is governed by an elected seven-member board. The financial statements present the financial condition and results of operation of the district. The District's major operations include primary and secondary education for young people. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.
The Kansas Municipal Audit and Accounting Guide will be referred to as KMAAG throughout the notes.

Basis of Presentation/Fund Description

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, restricts, or limitations. The following are Regulatory Basis Fund Types:

Governmental Funds

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

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

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

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

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

Fidcuiary Funds:

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.). Please refer to Statement 5 for further information.

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

Basis of Accounting-KMAAG Regulatory Basis of Accounting (Formerly Statutory Basis)

The KMAAG regulatory audit requirement of K.S.A. 75-1122 applies to each individual municipality as defined in K.S.A. 75-1117. The KMAAG regulatory financial reporting entity is comprised of the "municipality" as defined in K.S.A. 75-1117, as a minimum, and may also include certain separate legal entities referred to as "related municipal entities" as defined by KMAAG.

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues 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.

GAAP Basis Financial Statements - Minimum Requirements. GAAP basis financial statements are financial statements prepared in accordance with

"Governmental Accounting and Financial Reporting Standards" as promulgated by the Governmental Accounting Standards Board (GASB). For KMAAG purposes, if GAAP basis financial statements are presented, the basic financial statements and notes must be presented at a minimum. All other supplemental schedules are optional. However, the KMAAG mandatory note disclosures (if applicable) must still be presented even though they might not otherwise be required by GAAP to be included in the notes. KMAAG does not provide an example of GAAP financial statements. Regulatory Basis Financial Statements - Minimum Requirements. If GAAP basis financial statements are not presented, then: 1) a GAAP waiver resolution must be passed, and 2) regulatory basis financial statements including regulatory-required supplementary information, must be presented. Regulatory basis financial statements are financial statements prepared in accordance with the guidelines of KMAAG. Such financial statements are prepared on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas and prepared in accordance with the prescribed format established by KMAAG.

The regulatory basis financial statement consists of a single basic financial statement which is a summary statement containing all funds and related municipalities included in the financial reporting entity and demonstrating compliance with the cash basis law. The remainder of the required financial information to be presented is considered regulatory-required supplemental information which includes 1) a fund summary schedule containing all funds and showing compliance with the budget law for those funds required to be budgeted, 2) individual fund schedules for all funds except agency funds, with budget comparisons for those funds required to be budgeted, 3) a fund summary schedule, for agency funds only, showing cash balances and changes therein, and 4) special schedules unique to the municipality. Note: Regulatory-required supplementary information are the additional schedules that are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide and are not to be considered as required supplementary information as defined by auditing standards generally accepted in the United States of America. In addition, the KMAAG mandatory note disclosures must be presented and must include all disclosures necessary for fair presentation in accordance with the KMAAG regulatory basis framework. All other schedules that may be presented are optional.

Departure from GAAP

A waiver from the requirement to prepare and audit GAAP basis financial statements is necessary *only if* the municipality decides to present regulatory basis financial statements. A waiver is not required for financial statements that are prepared in accordance with the GAAP basis framework but include certain departures from GAAP. For example, if GAAP financial statements are presented but do not include the management discussion and analysis, this would be a departure from GAAP. However, even lacking the management discussion and analysis required supplementary information, the basic financial statements may still be presented on a GAAP basis framework, thus a waiver would not be required. The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c) waiving the annual for application of GAAP for the year ended 6/30/23. This waiver is completed annually and allows the District to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement.

Reimbursed Expenses

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for 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. The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2022 Financial Data

Amounts that are shown for 2022 in the accompanying financial statements are included where practical, only to provide a basis for comparison with 2023, and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Cash and Time Deposits

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized

investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost. These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as cash and time deposits.

General Fixed Assets
General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

Vouchers Payable
Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Encumbrances
Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance
The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Bonds Payable
Bonds which are outstanding at the end of the fiscal year. The District has funds in Bond Construction Fund, which shows what has been received and expeneded for the current year. When the construction is complete, further analysis on the Bond and payments will be presented in the finanaical statements and notes.

Budgetary Data
Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund. The statutes provide for the following sequence and time table in the adoption of the annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this fiscal year.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, activity funds, and the following special revenue funds: Other Fee and User Charges/Clearing Accounts, Contingency Reserve, Employee Benefits, Title I, Title IIA, Title IV, and other Federal Funds.

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

Tax Cycle
The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the clerk certifies the tax roll to County Treasurer, who prepares tax statements and receives payments. These taxes

become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County. Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed through the year.

The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually the determination of assessed valuation and the collections of property taxes for all political subdivisions in determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One- half of the property taxes are due December 20 and distributed to the District by January 20 to help finance the current year's budget. The second half is due May 10 and distributed to the District June 5. The District Treasurer draws all available funds from the County Treasurer's Office at designated times throughout the year.

Inventories/Prepaid Expenses
Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.

Use of Estimates
The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of revenues, expenditures, and fund balances. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
Compliance With Kansas Statutes and Other Finance Related Legal Matters
Contrary to provisions of K.S.A. 79-2935, the current year expenditures of the Food Service Fund exceeded the adopted budget.
Authorized Over-Encumbered Cash Balance-Federal Funds
K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

NOTE C- DEPOSITS AND INVESTMENTS
K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main 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. Cash balances from all funds are combined and invested to the extent available in certificates of deposits and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Custodial Credit Risk
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%. All deposits were legally secured at June 30, 2023.

At year-end the carrying amount of the district's deposits, including certificates of deposit and money market accounts was $925,791. The district checking account balance was $781,970. The activity/agency operating accounts had a balance of $143,821. Any differences between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, $250,000 was covered by FDIC insurance and the remaining balance was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the district's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

Investment Policy
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 investment choices. Funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposits issued by banks at June 30, 2023. The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest.

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 – Investments
For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality 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 D- FRINGE BENEFIT PLAN I.R.C. 125/HEALTH INSURANCE PLAN

CAFETERIA PLAN
The District has in place an IRS-IRC Section #125 "Cafeteria" Fringe Benefit Plan. The options under the plan are salary reduction options. Eligible classified employees shall be included in the Plan and will follow IRS limits and guidelines for various applicable areas. Each teacher shall become a participant upon electing to be a participant as set forth in said plan and shall be subject to the rules and regulations of said plan. The terms and provisions of said plan shall be subject to being changed at any time by the mutual consent of the School District and the recognized professional negotiating unit of the teachers of U.S.D. No. 108. The maximum benefit allowance per employee is $3050/yr for the year ended June 30, 2023. The maximum for the dependent care reimbursement account is $5,000 annually. Provisions available are:

Group Term Life Insurance ($50,000 maximum)
Disability Income Insurance
Cancer Insurance
Medical Reimbursement Accounts
Dependent Care Reimbursement Accounts
Vision Insurance
Dental Insurance
Dependent Life Insurance

HEALTH INSURANCE
USD No. 108 will participate in a district sponsored health insurance program. The board will purchase for each certified full time teacher that is at least .48 FTE who in enrolls in the district-sponsored health insurance program a single plan of health insurance. Any part time certified teacher that is at least .3 FTE who enrolls in the district-sponsored health insurance program will receive a pro-rated amount of .3 FTE. The board will contribute 55% toward the dependent care plans. No cash in lieu of insurance is permitted. Each employee enrolled in the district-offered health insurance program shall participate in any cost savings programs offered by the plan. Any employee choosing to not successfully participate will be responsible for payment of any additional costs to the plan. A Health Insurance Committee consisting of three certified staff members, two classified staff members, the superintendent and one BOE member will meet annually to make recommendations on the health insurance as provided the district. The certified staff committee members will be appointed by the WCTA.

NOTE E- COMPENSATED ABSENCES-VACATION AND SICK PAY
The district has not computed or recorded the potential liability for sick/vacation leave that is available to all full time employees. The amount varies by position. These costs are expenses as paid. (Please refer to the negotiated agreement for further specification.)

NOTE F- COMPENSATED ABSENCES (As Outlined In Pertinent Handbooks)
CLASSIFIED EMPLOYEES
VACATION

a. Except *as* otherwise herein provided, only full-time classified employees shall be eligible for vacation. For the purpose of determining vacation eligibility, a full-time classified employee shall be an employee who regularly works at least (40) hours per week for fifty-two (52) weeks each year.

b. Each full-time classified employee who is entitled to vacation shall receive twenty-five (25) days per year or 2.08 days for each full month of employment of paid vacation. An employee shall only be eligible to use vacation which has been earned as a result of his employment. Vacation days may not be accumulated from year to year and all vacation earned in any year of employment shall be used within two (2) months after the end of the year of employment and if not so used, shall be lost.

c. The dates for taking vacation leave shall be scheduled in consultation with and approved by the employee's supervisor or the Superintendent of Schools.

d. An employee entitled to a paid holiday, which occurs during the time of the employee's authorized vacation leave will not be counted as a day of vacation.

e. Employees may use vacation leave in units of not less than two (2) hours.

f. Upon termination, an employee shall be compensated for all earned but unused vacation leave.

g. Full-time employees for at least nine (9) months each year (employees who do not work during the months of June, July and August) shall be entitled to the same vacation rights *as* full-time employees as above set forth except that such employees shall receive earned vacation for only the months in which they work each year or three-fourths (3/4) of twenty-five (25) days per year vacation accrued at the rate of 2.08 days per month of work and such vacation may only be taken when school is not in session.

h. The amount of compensation an employee shall receive for vacation pay shall be equal to the wages he/she would have earned for the number of hours he/she would have been scheduled to work during his/her vacation time.

i. All vacation earned by any classified employee by June 30th in any year shall be taken and used by the employee by August 31st of the same year and any vacation not so taken or used shall be lost and shall not accumulate.

SICK LEAVE

Except *as* hereinafter provided, full-time classified employees shall be entitled to sick leave with pay for absences resulting from illness, injuries, accidents, doctors' appointments, or physical incapacity occurring either on or off the job of the employee and the employee's spouse, child, parent, grandchild, grandparent, mother and father-in-law, sibling, or any other dependent person making his/her home with the employee.

a. Amount of Sick Leave. Each full-time classified employee eligible for sick leave shall earn .83 days of sick leave for each full month of employment.

b. Accumulation of Sick Leave. No employee may accrue more than eighty (80) days of sick leave.

c. Pay for Sick Leave. Any employee taking a day of sick leave shall be paid for the normal amount of time the employee would have been scheduled to work during the time sick leave is taken.

d. Doctor's Certificate. The Superintendent may require a signed statement from a health care provider verifying the employee's inability to perform his/her assigned duties because of illness.

e. Notification. To be eligible for paid sick leave, an employee, or his/her representative, shall notify his/her immediate supervisor before the beginning of the work day or as soon as practical but no later than two (2) hours after the beginning of the first work day for which sick leave is taken.

f. Sick Leave for other than full-time employees. Employees of USD 108 who are not employed full-time or who are employed full-time for only part of the year, shall earn sick leave in a pro-rata amount based upon the number of hours such employees work compared to an employee who works forty (40) hours per week.

g. Sick Leave Bank. A sick leave bank will be established to aid classified employees in the event of an extraordinary lengthy illness. The bank shall operate as follows:

1. At the beginning of each school year, a sick leave bank of thirty-five (35) days shall be established which is not assigned to any individual. The sick leave provided by this bank shall be exclusive of any other sick leave provision and shall be limited to emergency situations such *as* prolonged illness or serious injury.
2. These days (35) will be the only days in the bank in any one year. At the beginning of each school year thereafter, the Board will fill the bank to the original level of thirty-five (35) days. Any days remaining in the pool at the end of the school year will not be cumulative.
3. Any employee may apply in writing to draw upon the bank in the event that an employee has used all earned sick leave otherwise provided for in this agreement. Such application shall be made to the Superintendent along with an explanation of reasons for the request. In extreme situations, application can be made after the lost time for illness and the request can be considered retroactive.

h. Family and Medical Leave. Classified employees shall be provided family and medical leave as provided by a family and medical leave plan adopted by USD 108 and employees will need to use any paid leave first.

i. A leave request form shall be filled out, signed by the employee, approved and signed by the employee's immediate supervisor and approved and signed by the superintendent before scheduled sick time is used or within 2 days after coming back to work in the case of illness or unexpected leave.

CERTIFIED EMPLOYEES

PERSONAL LEAVE

Each teacher shall receive three (3) days of paid personal leave, which are non- accumulative, which may be taken at the discretion of the teacher

for things other than sickness with notice given to the administration and consent of administration obtained. Teachers may also trade six (6) sick days for two (2) additional personal day if said teacher has thirty (30) or more sick days. No more than two (2) teachers in the system may be on personal leave at one time unless extenuating circumstances exist. Personal leave will be granted on a first come, first serve basis. The teachers are to leave sufficient lesson plans regardless of the reason for the absence so a substitute can go ahead with the work of the class. The administration requests that personal leave not be taken during the last two (2) weeks of school. Personal leave can be taken in increments of no less than one-quarter days. Personal leave cannot be used immediately prior to or immediately following Thanksgiving Break, Winter Break, and Spring Break. Any unused personal days of the 3 allotted each year will be paid at the current substitute teacher rate. A half day of unused personal leave will be compensated at the ½ substitute teacher rate.

SICK LEAVE
Sick leave may be accrued at the rate of ten (10) days per year up to eighty (80) days. If more than the accrued sick leave is taken, deductions will be made from the last paycheck of the year at the rate of 1/184 of yearly pay for each day over the sick leave. The teacher is to have sufficient lesson plans regardless of the reason for absence so a substitute can go ahead with the work of the class. Sick leave may be used for illness of any family member. Teachers will be notified of accumulated sick leave days at the beginning of each school year which information shall be placed in each teacher's personal *file*.
Emergency clause: Because life is unexpected and unplanned, up to three of the employee's sick days each year can be used for emergency purposes.

A sick leave bank will be established to aid certified employees in the event of an extra ordinary lengthy illness. The bank shall operate as follows:

(1) At the beginning of each school year, a sick leave bank of forty (40) days shall be established which is not assigned to any individual. The sick leave provided by this bank shall be exclusive of any other sick leave provision and shall be limited to emergency situations such as prolonged illness or serious injury.

(2) These days (40) will be the only days in the bank in any one (1) year. At the beginning of each school year thereafter, the Board will fill the bank to the original level of forty (40) days. Any days remaining in the pool at the end of the school year will not be cumulative. If all sick pool days are depleted, other teaching staff members may donate their unused sick leave days to replenish the pool upon approval from the Unified School District No. 108 Board of Education.

(3) Any teacher may apply in writing to draw upon the bank in the event that a teacher has used all earned sick leave otherwise provided for in this agreement. Such application shall be made to the Superintendent along with an explanation of reasons for the request. In extreme situations, applications can be made after the lost time for illness and the request can be considered retroactive.

(4) The sick leave bank shall be under the control of a committee which shall consist of the Superintendent, the building principal of the teacher requesting sick leave, one (1) board member, and two (2) teachers appointed by the association president.

(5) The Superintendent shall notify the applicant in writing regarding the action taken on request.

BEREAVEMENT LEAVE (Both Classified & Certified)
Each employee will be granted up the 3 days of bereavement leave to be used at the employee's discretion to attend any funeral deemed necessary. Additional sick leave days may be used for bereavement leave, if approved by the administration. There will be no accumulation of bereavement leave days from year to year.

NOTE G- DEFINED BENEFIT PENSION PLAN
NOTE G- 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.83% 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 District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $407,055 for the year ended June 30, 2023.

The State of Kansas contributed 13.11% of covered payroll during fiscal year 2023, excluding the Group Death & Disability Insurance rate. During fiscal year 2024, the State of Kansas will contribute 12.57% of covered payroll. The State of Kansas contribution to KPERS due for all school municipalities for the year ending June 30, 2023, was $601,008,971. KPERS received $500 million in August 2021 from pension obligation bonds, Series 2021K, issued by the State of Kansas. In addition, per SB421 passed in the 2022 Legislative Session, $600 million in new contributions were transferred to KPERS in May and June of 2022. The transfers from the pension obligation bonds and SB421 were applied to the unfunded actuarial liability of the School group.

Net Pension Liability

At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $3,884,888. 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 longterm debt, this liability is not reported in this financial statement.

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

NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES

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 nature disasters. The district continues to carry insurance for all risks of loss including workers' compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market

interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its cash and cash equivalents.

NOTE J- COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Distirct is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2023. As a result of COVID-19, numerous Federal and State grants have been made available to the District to assist with the risks and help offset incurred costs of the District.

NOTE K- 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 these financial statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. As provided by K.S.A. 74-4927, disabled members in KPERS receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2023.

NOTE L- IN-SUBSTANCE RECEIPT IN TRANSIT

There were none recorded for the year ended June 30, 2023.

NOTE M- LONG-TERM DEBT

The District currently has no long term debt. The District has started construction, and use of bond proceeds. The payment schedules will be finalized and presented when complete.

NOTE N- CAPITAL PROJECT COMPLIANCE

The District is currently not involved in any such activities.

NOTE O- LITIGATION CONTINGENCIES

The District currently has no litigation contingencies that it is involved.

NOTE P- CONTINGENT LIABILITIES

The District participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives for audits of these programs for or including the year ending June 30, 2021. The compliance audits are conducted annually on a timely basis. The District's compliance with the grant agreements are established when such audits are complete. The District expects the amount of expenditures, which may be disallowed by the grantor agencies, if any, to be immaterial.

NOTE Q- SUBSEQUENT EVENTS

These financial statements considered subsequent events through February 12, 2024 the date the financial statements were available to be issued.

NOTE R- RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

Note S - INTER-FUND TRANSACTIONS

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue, to the fund authorized to expend the revenue, have been segregated from normal revenues and expenditures for reporting purposes are are:

FROM	TO		2023	2022
General	Special Education		343422	364547
General	Professional Development		16796	10961
General	Career & Post Secondary		97008	89750
General	Bilingual		0	10113
General	KPERS		0	0
General	Preschool-Aged At Risk		62998	42354
General	Driver Ed		0	0
General	At Risk K-12		314,505	271,066
		Totals	**834,729**	**788,791**
Supplemental General	Food Service		0	0
Supplemental General	Career & Post Secondary		97,007	89,750
Supplemental General	Special Education		228,076	194,133
Supplemental General	Bilingual		7,182	6,358
Supplemental General	At Risk		103,259	89,572
Supplemental General	Driver Ed		0	0
Supplemental General	Parents as Teachers		10,500	9,375
		Totals	**446,024**	**389,188**
		Totals	**1,280,753**	**1,177,979**

The above transfers are included in the expenditures of the disbursing fund and included in the revenues of the receiving fund as required by the Cash Basis and Budget Laws of Kansas, and for budget comparison purposes.

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note T - INTER-GOVERNMENTAL ASSISTANCE

Type of Aid - State		**2023**	**2022**
General State Aid	$	911,211	1,291,431
Mineral Production Ed Fund		508,391	369,347
Special Revenue State Aid		0	2,684
Supplemental General State Aid		4,003	78,975
Contribution Check-off		66	0
Professional Development		3,204	0
District Finance		287,912	0
State Safety		2,380	0
State Food Service		2,084	1,991
Special Education		320,160	336,614
Mentor Teacher		457	2,150
School District Mill Levy		1,498,760	1,389,046
Annual Conference Fee		0	0
KPERS Employer Cont.		407,055	394,625
	Totals	**3,945,683**	**3,866,863**

Type of Aid - Federal		**2023**	**2022**
Title I Fund	$	74,185	75,857
Food Service		181,344	364,765
Sponsor Administration		0	6,738
Effective Instruction		13,173	10,234
Academic Enrich		13,768	13,675
CFC		12,441	11,455
Title IV		169,833	171,599
Coronavirus		598,801	250,415
NSLP Supply Chain Assistance		23,899	11,163
Reserve Fund		0	650
Youth Risk Behavior Survey		0	266
Covid Testing Grant		50,931	10,767
	Totals	**1,138,375**	**927,584**

Federal programs in which the school district participated have specified for what purpose funds are to be expended.
All funds unexpended at June 30, 2023 are restricted to federal program specified expenditures.

5,084,058

REGULATORY - REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2023

STATEMENT 2

Fund	Statement Number	Certified Budget	Adjustments To Comply With Legal Max	Adjustments For Qualifying Budget Credits	Total Budget For Comparison	Expenditures Chargeable To Current Year	Variance Over (Under)
Genereal Funds:							
General Fund	3-1	$ 3,587,978	$ (61,544)	$ 6,711	$ 3,533,145	$ 3,533,145	$ 0
Supplemental General	3-2	1,189,444	(12,030)	0	1,177,414	1,177,414	0
Special Purpose Funds:							
At Risk (K-12)	3-3	393,599	0	0	393,599	417,764	24,165
Capital Outlay	3-4	825,476	0	0	825,476	505,284	(320,192)
Driver Training	3-5	17,857	0	0	17,857	5,320	(12,537)
Food Service	3-8	472,955	0	0	472,955	277,885	(195,070)
Gift	3-10	49,778	0	0	49,778	21,267	(28,511)
Parent Education Program	3-11	10,500	0	0	10,500	10,500	0
Special Education	3-12	609,449	0	0	609,449	569,310	(40,139)
Vocational Education	3-14	204,797	0	0	204,797	194,015	(10,782)
Kpers Retirement	3-15	426,195	0	0	426,195	407,055	(19,140)
Professional Development	3-19	20,000	0	0	20,000	20,000	0
Bilingual	3-23	18,917	0	0	18,917	18,917	0
At Risk (Preschool)	3-25	62,998	0	0	62,998	62,998	0
Bond and Interest Funds:							
Bond And Interest	3-18	42,847	0	0	42,847	42,847	0
TOTALS		$ 7,932,790	$ (73,574)	$ 6,711	$ 7,865,927	$ 7,263,721	$ (602,206)

See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2023
(With Comparative Actual Totals for Prior Year Ended June 30, 2022)

STATEMENT 3-1

GENERAL FUND

	Prior Year Actual Transactions	Current Year Actual Transactions	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Taxes in Process	$ 0	$ 0	$ 0	$ 0
Current Tax	0	0	0	0
Delinquent Tax	0	0	0	0
State Equilization Aid	0	0	0	0
KPERS	0	0	0	0
Special Education Aid	336,614	320,160	343,422	(23,262)
Supplemental State Aid	0	0	0	0
Interest on Idle Funds	0	0	0	0
State Aid Reimb	3,049,824	3,206,274	3,244,556	(38,282)
Reimbursements	7,197	6,711	0	6,711
Total Cash Receipts	$ 3,393,635	$ 3,533,145	$ 3,587,978	$ (54,833)
Expenditures				
Instruction	$ 1,935,142	$ 1,871,519	$ 1,987,078	$ (115,559)
Student Support Services	56,267	53,852	57,450	(3,598)
Instructional Support Staff	22,708	55,650	28,325	27,325
General Administration	230,591	222,912	237,577	(14,665)
School Administration	284,278	296,159	297,459	(1,300)
Other Central Services	0	86,290	85,875	415
Operations & Maintenance	2,226	0	0	0
Student Transportation Services	0	20,258	0	20,258
Other Supplemental Service	73,632	80,041	62,878	17,163
Operating Transfers	788,791	846,464	831,336	15,128
Adjustment For Legal Max	0	0	(61,544)	61,544
Adjustment for Reimbursements	0	0	6,711	(6,711)
Total Expenditures	$ 3,393,635	$ 3,533,145	$ 3,533,145	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

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STATEMENT 3-2

SUPPLEMENTAL GENERAL FUND

	Prior Year Actual Transactions	Current Year Actual Transactions	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Ad Valorem	$ 918,245	$ 1,142,122	$ 33,343	$ 1,108,779
Current Tax	0	0	0	0
Delinquent Tax	11,589	11,754	9,064	2,690
Motor Vehicle Tax - 16/20 Truck	63,276	64,789	59,011	5,778
Other County	0	0	0	0
RV/Comm Tax	3,606	4,072	3,013	1,059
Transfer From Contingency	0	0	0	0
State Aid	78,975	4,003	4,044	(41)
Reimbursement	0	0	0	0
Transfers	0	0	0	0
Total Cash Receipts	$ 1,075,691	$ 1,226,740	$ 108,475	$ 108,475
Expenditures				
Instruction	$ 1,510	$ 63	$ 0	$ 63
Instructional Support Service	0	0	0	0
General Administration	0	0	0	0
Support Service	0	0	0	0
Central Services	0	60	0	60
Operation and Maintenance	519,536	500,177	556,249	(56,072)
Transportation	205,236	231,090	188,450	42,640
Operating Transfers	389,188	446,024	444,745	1,279
Other Support Services	0	0	0	0
Adjustment For Legal Max	0	0	(12,030)	12,030
Total Expenditures	$ 1,115,470	$ 1,177,414	$ 1,177,414	$ 0
Receipts Over (Under) Expenditures	(39,779)	49,326		
Unencumbered Cash - Beginning	91,295	51,516		
Unencumbered Cash - Ending	$ 51,516	$ 100,842		

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STATEMENT 3-3

AT RISK (K-12) FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Other	0	0	0	0
Transfer from Supplemental	$ 271,066	$ 314,505	$ 294,637	$ 19,868
Transfer from General	89,572	103,259	98,962	4,297
Total Cash Receipts	$ 360,638	$ 417,764	$ 393,599	$ 24,165
Expenditures				
Instruction/Support	360,638	417,764	393,599	24,165
Total Expenditures	$ 360,638	$ 417,764	$ 393,599	$ 24,165
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

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STATEMENT 3-4

CAPITAL OUTLAY FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Ad Valorem Tax/Prior	$ 455,517	$ 493,264	$ 459,596	$ 33,668
Other Taxes	0	0	0	0
Delinquent	4,066	4,850	4,430	420
Interest on Idle Funds	6,766	6,367	0	6,367
Other Local Source	18,509	27,416	40,000	(12,584)
County Sources	23,124	24,424	25,785	(1,361)
Transfer from General	0	0	0	0
Total Cash Receipts	$ 507,982	$ 556,321	$ 529,811	$ 26,510
Expenditures				
Instruction	13,101	68,308	100,000	(31,692)
Student Support Services	84,039	2,351	0	2,351
Instructional Support Staff	0	0	0	0
General Administration	0	0	0	0
School Administration	0	0	0	0
Other Central Services	0	0	0	0
Operations & Maintenance	150,918	239,843	530,694	(290,851)
Student Transportation Services	12,631	0	0	0
Other Supplemental Service	7,664	0	0	0
Debt Service	197,112	194,782	194,782	0
Total Expenditures	$ 465,465	$ 505,284	$ 825,476	$ (320,192)
Receipts Over (Under) Expenditures	42,517	51,037		
Unencumbered Cash - Beginning	253,147	295,664		
Unencumbered Cash - Ending	$ 295,664	$ 346,701		

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STATEMENT 3-5

DRIVER TRAINING FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
State Aid	$ 4,334	$ 2,380	$ 6,060	$ (3,680)
Other	3,736	4,848	4,050	798
Transfers	0	0	0	0
Total Cash Receipts	$ 8,070	$ 7,228	$ 10,110	$ (2,882)
Expenditures				
Instruction	$ 3,556	$ 5,320	$ 17,857	$ (12,537)
Maintenance Service	1,650	0	0	0
Total Expenditures	$ 5,206	$ 5,320	$ 17,857	$ (12,537)
Receipts Over (Under) Expenditures	2,864	1,908		
Unencumbered Cash - Beginning	4,882	7,746		
Unencumbered Cash - Ending	$ 7,746	$ 9,654		

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STATEMENT 3-6

TITLE I FUND

	Prior Year	Current Year
Cash Receipts		
Federal Sources	$ 75,857	$ 74,185
Transfers	0	0
Total Cash Receipts	75,857	74,185
Expenditures		
Instruction	75,857	74,185
Total Expenditures	75,857	74,185
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	0	0
Unencumbered Cash - Ending	$ 0	$ 0

This is not a budgeted fund.
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STATEMENT 3-7

CLASS SIZE REDUCTION FUND
Title II - A

	Prior Year	Current Year
Cash Receipts	$ 10,234	$ 13,173
Instruction	10,234	13,173
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	0	0
Unencumbered Cash - Ending	$ 0	$ 0

This is not a budgeted fund.
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STATEMENT 3-8

FOOD SERVICE FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Federal Aid	$ 394,735	$ 217,684	$ 222,411	$ (4,727)
State Aid	1,991	2,084	2,286	(202)
Student & Adult Receipts	4,211	68,352	141,019	(72,667)
Miscellaneous	743	8,075	0	8,075
Operating Transfers	0	0	0	0
Total Cash Receipts	$ 401,680	$ 296,195	$ 365,716	$ (69,521)
Expenditures				
Salaries/Food & Supplies	$ 363,716	$ 277,885	$ 472,955	$ (195,070)
Total Expenditures	$ 363,716	$ 277,885	$ 472,955	$ (195,070)
Receipts Over (Under) Expenditures	37,964	18,310		
Unencumbered Cash - Beginning	69,276	107,240		
Unencumbered Cash - Ending	$ 107,240	$ 125,550		

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STATEMENT 3-9

21st CCLC FUND/CARAT FUND

	Prior Year	Current Year
Cash Receipts	$ 171,599	$ 180,371
Expenditures	171,599	181,287
Receipts Over (Under) Expenditures	0	(916)
Unencumbered Cash - Beginning	0	0
Unencumbered Cash - Ending	$ 0	$ (916)

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STATEMENT 3-10

GIFT AND GRANTS FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Misc	14,788	21,321	30,000	(8,679)
			0	
Total Cash Receipts	$ 14,788	$ 21,321	$ 30,000	$ (8,679)
Expenditures				
Instructon	12,847	18,419	49,778	(31,359)
Other	4,402	2,848	0	2,848
Total Expenditures	$ 17,249	$ 21,267	$ 49,778	$ (28,511)
Receipts Over (Under) Expenditures	$ (2,461)	54		
Unencumbered Cash - Beginning	22,237	19,776		
Unencumbered Cash - Ending	19,776	$ 19,830		

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STATEMENT 3-11

PARENTS AS TEACHERS FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
State Sources	$ 0	$ 0	$ 0	$ 0
Budgeted Reimbursements	0	0	0	0
Transfer from Supp General	9,375	10,500	10,500	0
Other Local Sources	0	0	0	0
Total Cash Receipts	$ 9,375	$ 10,500	$ 10,500	$ 0
Expenditures				
Instruction	$ 9,375	$ 10,500	$ 10,500	$ 0
Total Expenditures	$ 9,375	$ 10,500	$ 10,500	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

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STATEMENT 3-12

SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Other	$ 0	$ 374	$ 20,000	$ (19,626)
Transfer from General	364,547	343,422	343,422	0
Transfer from Supp General	194,133	228,076	228,076	0
Federal Sources	17,202	0	0	0
Total Cash Receipts	$ 575,882	$ 571,872	$ 591,498	$ (19,626)
Expenditures				
Instruction	$ 648,180	$ 559,294	$ 609,449	$ (50,155)
Vehicle Operating Service	9,751	10,016	0	10,016
Transfer to General	0	0	0	0
Total Expenditures	$ 657,931	$ 569,310	$ 609,449	$ (40,139)
Receipts Over (Under) Expenditures	(82,049)	2,562		
Unencumbered Cash - Beginning	100,000	17,951		
Unencumbered Cash - Ending	$ 17,951	$ 20,513		

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STATEMENT 3-13

SMALL RURAL SCHOOL FUND

	Prior Year	Current Year
Cash Receipts - State	$ 25,560	$ 29,184
Cash Disbursements		
Salaries	25,560	29,184
Property	0	0
Total Disbursements	25,560	29,184
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	0	0
Unencumbered Cash - Ending	$ 0	$ 0

This is not a budgeted fund.
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STATEMENT 3-14

CAREER & POST SECONDARY EDUCATION FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Other Local	0	0	0	0
Federal Sources	650	0	3,228	(3,228)
General	89,750	97,008	100,785	(3,777)
Supplemental General	$ 89,750	$ 97,007	$ 100,784	$ (3,777)
Total Cash Receipts	$ 180,150	$ 194,015	$ 204,797	$ (10,782)
Expenditures				
Instruction	180,150	194,015	204,797	(10,782)
Operations & Maintenance	0	0	0	0
Total Expenditures	$ 180,150	$ 194,015	$ 204,797	$ (10,782)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

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STATEMENT 3-15

KPERS RETIREMENT FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Transfer General	$ 394,625	$ 407,055	$ 426,195	$ (19,140)
Total Cash Receipts	$ 394,625	$ 407,055	$ 426,195	$ (19,140)
Expenditures				
Benefits	$ 394,625	$ 407,055	$ 426,195	$ (19,140)
Total Expenditures	$ 394,625	$ 407,055	$ 426,195	$ (19,140)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

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STATEMENT 3-16

CONTINGENCY RESERVE FUND

	Prior Year	Current Year
Cash Receipts	$ 0	$ 0
Expenditures	0	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	59,949	59,949
Unencumbered Cash - Ending	$ 59,949	$ 59,949

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STATEMENT 3-17

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Prior Year	Current Year
Cash Receipts		
Textbook Rental	$ 9,399	$ 13,865
Total Cash Receipts	9,399	13,865
Expenditures		
Textbooks	0	0
Total Expenditures	0	0
Receipts Over (Under) Expenditures	9,399	13,865
Unencumbered Cash - Beginning	20,760	30,159
Unencumbered Cash - Ending	$ 30,159	$ 44,024

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STATEMENT 3-18

BOND AND INTEREST FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Misc	$ 0	$ 114,359	$ 0	$ 114,359
Delinquent	1,241	836	0	836
Ad Valorem Taxes	0	0	111,535	(111,535)
Other Local Sources	0	0	0	0
RV/Comm Taxes	0	0	0	0
State Aid	0	0	0	0
Taxes in Process	0	0	0	0
Motor Vehicle 16/20 M Tax	30	0	0	0
State Mach/Equip/Tele	0	0	0	0
Total Cash Receipts	$ 1,271	$ 115,195	$ 111,535	$ 3,660
Expenditures				
Bond Principal	$ 0	$ 0	$ 0	$ 0
Bond Interest	0	42,847	42,847	0
Commission and Postage			0	0
Total Expenditures	$ 0	$ 42,847	$ 42,847	$ 0
Receipts Over (Under) Expenditures	1,271	72,348		
Unencumbered Cash - Beginning	113,500	114,771		
Unencumbered Cash - Ending	$ 114,771	$ 187,119		

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STATEMENT 3-19

PROFESSIONAL DEVELOPMENT FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
State Sources	$ 0	$ 3,204	$ 3,000	$ 204
Budgeted Reimbursements	0	0	0	0
Transfers	10,961	16,796	17,000	(204)
Other Local Sources	0	0	0	0
Total Cash Receipts	$ 10,961	$ 20,000	$ 20,000	$ 0
Expenditures				
Instruction	$ 0	$ 0	$ 0	$ 0
Instructional Support Service	10,961	20,000	20,000	0
Total Expenditures	$ 10,961	$ 20,000	$ 20,000	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

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STATEMENT 3-20

SECOND STEP/CARAT FEDERAL GRANT FUND

	Prior Year	Current Year
Cash Receipts - State	$ 0	$ 0
Cash Disbursements		
Salaries	2,445	361
Property	0	0
Total Disbursements	2,445	361
Receipts Over (Under) Expenditures	(2,445)	(361)
Unencumbered Cash - Beginning	4,612	2,167
Unencumbered Cash - Ending	$ 2,167	$ 1,806

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STATEMENT 3-21

ELC K-12 GRANT

	Prior Year	Current Year
Federal Grant	$ 10,767	$ 50,931
Cash Disbursements		
Instruction	14,402	180,398
Instructional Support	0	0
Total Disbursements	14,402	180,398
Receipts Over (Under) Expenditures	(3,635)	(129,467)
Unencumbered Cash - Beginning	0	(3,635)
Unencumbered Cash - Ending	$ (3,635)	$ (133,102)

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STATEMENT 3-22

TITLE IVA FUND

	Prior Year	Current Year
Cash Receipts - State	$ 13,675	$ 13,768
Cash Disbursements		
Salaries	13,675	13,768
Property	0	0
Total Disbursements	13,675	13,768
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	0	0
Unencumbered Cash - Ending	$ 0	$ 0

This is not a budgeted fund.
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STATEMENT 3-23

BILINGUAL FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
State Sources	$ 0	$ 0	$ 0	$ 0
Other	10,113	11,735	12,494	(759)
Transfer from Supp General	6,358	7,182	6,423	759
Transfer from General	0	0	0	0
Total Cash Receipts	$ 16,471	$ 18,917	$ 18,917	$ 0
Expenditures				
Instruction	$ 0	$ 0	$ 0	$ 0
Instructional Support Service	16,471	18,917	18,917	0
Total Expenditures	$ 16,471	$ 18,917	$ 18,917	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

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ESSER I/ESSER II/SPARK/CARES

STATEMENT 3-24

	Prior Year	Current Year
Cash Receipts	$ 232,599	$ 598,801
Instruction	220,237	593,742
Student Support Services	0	0
General Administration	0	0
Operations & Maintenance	0	0
Total Expenditures	220,237	593,742
Total Expenditures	12,362	5,059
Receipts Over (Under) Expenditures	(17,421)	(5,059)
Unencumbered Cash - Beginning	$ (5,059)	$ 0
Unencumbered Cash - Ending		

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STATEMENT 3-25

AT RISK (PRESCHOOL) FUND

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Other	0	0	0	0
Transfer from Supplemental	$ 0	$ 0	$ 0	$ 0
Transfer from General	42,354	62,998	62,998	0
Total Cash Receipts	$ 42,354	$ 62,998	$ 62,998	$ 0
Expenditures				
Instruction/Support	42,354	62,998	62,998	0
Total Expenditures	$ 42,354	$ 62,998	$ 62,998	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	$ 0	$ 0		

See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

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

STATEMENT 3-26

BUILDING IMPROVEMENT FUND

	Prior Year	Current Year
Sale of Bonds	$ 1,675,438	$ 0
Architectual/Legal Fees	113,336	1,562,102
Receipts Over (Under) Expenditures	1,562,102	(1,562,102)
Unencumbered Cash - Beginning	0	1,562,102
Unencumbered Cash - Ending	$ 1,562,102	$ 0

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis
For The Year Ended June 30, 2023
ACTIVITY/AGENCY FUNDS

STATEMENT 4

Funds:	Beginning Unemcumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Outstanding Encumbrances & A/P	Ending Cash Balance
Cheerleaders	$ 2,324	0	7,569	9,075	818	0	818
JH Cheerleader	2,009	0	0	137	1,872	0	1,872
Junior High	1,445	0	342	304	1,483	0	1,483
Student Council	1,330	0	2,650	2,629	1,351	0	1,351
Annual Club - Yearbook	1,440	0	6,524	5,799	2,165	0	2,165
Art Club	1,432	0	1,892	1,035	2,289	0	2,289
Foreign Language	577	0	21	118	480	0	480
Drama	3,220	0	2,101	1,503	3,818	0	3,818
Band Trip Project	455	0	1,635	1,575	515	0	515
Student Supplies	23,217	0	9,109	9,549	22,777	0	22,777
FSA Account	12,869	0	24,239	24,860	12,248	0	12,248
Class of 2021	0	0	0	0	0	0	0
Class of 2022	332	0	0	332	0	0	0
Class of 2023	7,391	0	2,130	9,521	0	0	0
Class of 2024	7,380	0	6,529	6,314	7,595	0	7,595
Class of 2025	3,004	0	19,740	11,326	11,418	0	11,418
Class of 2018	0	0	0	0	0	0	0
Class of 2026	3,036	0	63	17	3,082	0	3,082
Class of 2027	1,574	0	4,136	2,407	3,303	0	3,303
Class of 2020	0	0	0	0	0	0	0
Class of 2028	0	0	3,996	3,179	817	0	817
Subtotal Agency Accounts	$ 73,035	0	92,676	89,680	76,031	0	76,031
Student Activities	5,330	0	12,745	15,558	2,517	0	2,517
Athletics - High School	4,401	0	68,755	58,361	14,795	0	14,795
Tiger Tech Project	0	0	11,557	8,415	3,142	0	3,142
FBLA	12,033	0	42,661	40,848	13,846	0	13,846
FFA	27,581	0	44,438	45,114	26,905	0	26,905
FCCLA	5,959	0	15,401	14,775	6,585	0	6,585
Subtotal Activity Accounts	$ 55,304	0	195,557	183,071	67,790	0	67,790
Total Agency/Activity Accounts	$ 128,339	0	288,233	272,751	143,821	0	143,821

See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis
For The Year Ended June 30, 2023
DISTRICT TRUST FUNDS

STATEMENT 5

Funds:	Beginning Unemcumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Outstanding Encumbrances & A/P	Ending Cash Balance
Brent Jones Memorial	0	0	0	0	0	0	0
Total District Trust Funds	0	0	0	0	0	0	0

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

SUPPLEMENTARY INFORMATION

BAS LLC
Bruna Auditing Services LLC
Derek Bruna, CPA
201 C Street
Washington, KS 66968
(785) 325-2061

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

To the Board of Education
Unified School District No. 108
Washington, Kansas 66935

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Unified School District No. 108's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 108's major federal programs for the fiscal year ended June 30, 2023. Unified School District No. 108's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, Unified School District No. 108 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

I am required to be independent of Unified School District No. 108 and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of Unified School District No. 108's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Unified School District No. 108's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Unified School District No. 108's compliance based on my audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material on compliance resulting from fraud is higher than that resulting from error, as detecting material noncompliance resulting from fraud is higher than for the resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Unified School District No. 108's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District No. 108's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- Obtain an understanding of Unified School District No. 108's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 108's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Report on Internal Control Over Compliance

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

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

My audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, so such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

Bruna Auditing Services LLC
Derek Bruna, CPA
February 12, 2024

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2023

Statement 5

Federal Grantor/Pass through Grantor Program Title	ASSISTANCE LISTING NUMBER	Expenditures
U.S. Department of Education-Pass Through Kansas Department of Education:		
Title I Low Income	84.010A	$74,186
Title IV 21st Century Community Learning Center	84.287C	$169,833
Supporting Effective Instruction	84.367A	$13,173
ESSA Student Support Academic Enrichment	84.424A	$13,768
ESSER 2 COVID 19	84.425D	$27,224
ESSER 3 COVID 19	84.425U	$571,577
K-12 Covid Testing	93.323	$50,931
Total Department of Education		$920,692
U.S. Department of Agriculture-Pass Through Kansas Department of Education:		
Child Nutrition Cluster:		
School Breakfast	10.553	$28,775
National School Lunch Program	10.555	$176,468
Summer Food Service Program	10.559	$12,441
Total Child Nutrition Cluster		$217,684
Total Department of Agriculture		$217,684
Total Expenditures of Federal Awards		$1,138,376

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2023

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Unified School District No. 108 under programs of the federal government for the fiscal year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Unified School District No. 108, it is not intended to and does not present the aggregate cash and unencumbered cash balances and receipts and expenditures of Unified School District No. 108.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the accompanying Schedule of Expenditures of Federal Awards are reported on the regulatory basis of accounting, which are accounting practices prescribed by the State of Kansas and are described in Note 1 to the School District's regulatory basis financial statement.

Note C: Indirect Cost Rate

Unified School District No. 108 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 108
Washington, Kansas

Statement 6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2023

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the regulatory basis financial statements of Unified School District No. 108

2. No significant deficiencies were disclosed during the audit of the financial statements that would be required to be reported in the 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*. No material weaknesses are reported.

3. No instances of noncompliance material to the financial statements of Unified School District No. 108 were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs were disclosed during that audit that would be required to be reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance. No material weaknesses are reported.

5. The auditor's report on compliance for the major federal award programs for Unified School District No. 108 expresses an unmodified opinion on all major federal programs.

6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).

7. The programs tested as major programs were:
   Child Nutrition Cluster CFDA #10.533, 10.555, 10.559
   Esser Covid-19 Coronavirus CFDA #84.425

8. The threshold for determining type A and B programs was $750,000

9. Unified School District No. 108 did not qualify as a low-risk auditee.

B. FINDINGS—FINANCIAL STATEMENTS AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.