UNIFIED SCHOOL DISTRICT NO. 389
Eureka, Kansas

Independent Auditors' Report and
Regulatory Basis Financial Statement
With Supplementary Information

For the Year Ended June 30, 2023

Unified School District No. 389
Eureka, Kansas
Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2023

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Unified School District No. 389
Eureka, Kansas
Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 389
Eureka, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 389, Eureka, Kansas, as of and for the year ended June 30, 2023, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District, as of June 30, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

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

As discussed in Note 1 of the financial statement, the financial statement is prepared by the District, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, and summary schedule of regulatory basis receipts, expenditures, and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 389, Eureka, Kansas, as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated February 1, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/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 June 30, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the 2022 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
December 14, 2023

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Unified School District No. 389
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General		$		5,670,512	5,670,512			
Supplemental General	(2)	279,465	101,963	1,676,205	1,775,546	282,087	209,802	491,889
Special Purpose:								
Pre-School Aged At-Risk	(2)		18	80,485	80,503			
At Risk K-12		672,888		1,203,360	883,884	992,364		992,364
Virtual Education								
Capital Outlay	(2)	4,067,410	15,825	642,809	216,455	4,509,589	38,456	4,548,045
Driver Training		337		5,501	5,838			
Food Service		271,159		428,734	499,067	200,826	17,925	218,751
Professional Development		32,285		2,198	19,101	15,382	99	15,481
Special Education	(2)	633,705	345	1,164,971	1,222,454	576,567	25,587	602,154
Career and Postsecondary Education	(2)	187,670	4,044	156,874	304,691	43,897	18,747	62,644
Gifts and Grants		20,887		10,886	1,150	30,623		30,623
KPERS Special Retirement Contribution				843,052	843,052			
Contingency Reserve		478,785				478,785		478,785
Textbook and Student Material Revolving		61,240		25,085	15,446	70,879		70,879
Recreation Commission		23,849		130,315	128,947	25,217		25,217
Elementary/Secondary School Emergency Relief		(214,322)		598,967	646,239	(261,594)	5,768	(255,826)
REAP Grant				12,606	2,750	9,856		9,856
Title I	(2)		208	154,058	154,058	208		208
KDHE COVID Testing Grant		(8,136)		52,047	52,914	(9,003)		(9,003)
Title II	(2)	6,091	1,093	26,999	26,999	7,184	23,225	30,409
Title IV-A		10,496		17,732	17,732	10,496	16,895	27,391
Families and Schools Together Grant		4,765				4,765		4,765
Gate Receipts		17,142		82,266	90,004	9,404		9,404
Special Projects		148,539		151,416	129,564	170,391		170,391
Bond and Interest:								
Bond and Interest		1,094,517		505,777	411,500	1,188,794		1,188,794
Capital Projects:								
Gym Construction Project		8		1		9		9
Trusts:								
Bond Refinancing		664				664		664
Tornado Relief Donations		6,964				6,964		6,964
Total Primary Government	(1)	7,796,408	123,496	13,642,856	13,198,406	8,364,354	356,504	8,720,858

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

Unified School District No. 389
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Composition of Cash:							
Certificates of Deposit							3,152,524
Demand Deposits							5,949,986
Petty Cash Advance							3,300
Less: Agency Funds							(384,952)
Total Primary Government (1)							8,720,858

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

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

Note 1 Summary of Significant Accounting Policies

The financial statement and schedules of Unified School District #389, Eureka, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 389, and includes the primary government only, with no related municipal entities.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide 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 Kansas Municipal Audit and Accounting Guide regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Basis of Presentation

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

The following Regulatory Basis Fund Types comprise the financial activities of the District for the year ending June 30, 2023:

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

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

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

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

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

Agency Funds -- funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. Under Kansas State Law, the State of Kansas will fund all employer pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Budgetary Information

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 funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

If the municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The municipality did hold a revenue neutral rate hearing for the year ending June 30, 2023.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended June 30, 2023, the District had no such amendments.

Subsequent to the adoption of the budget, the budgets of the General Fund and the Supplemental General Fund were cut by the State Board of Education to the legal maximum amounts of $5,670,512 and $1,774,686, respectively. These maximum budgets are based on audited full-time equivalent enrollment.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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 expenditure authority) lapse at year-end.

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

Gifts and Grants Fund
Contingency Reserve Fund
Textbook and Student Material Revolving Fund
Elementary/Secondary School Emergency Relief Fund
REAP Grant Fund
Title I Fund
KDHE COVID Testing Grant Fund
Title II Fund
Title IV-A Fund
Families and Schools Together Grant Fund
Gate Receipts Fund
Special Projects Fund

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

Note 2 Deposits and Investments

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had no investments at June 30, 2023 and held no investments throughout the year.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated any peak periods.

At June 30, 2023, the carrying amount of the District's deposits was $9,102,510 and the bank balance was $9,875,514. Of the bank balance, $565,947 was covered by federal depository insurance and the remaining $9,309,567 was collateralized with securities held by the pledging financial institutions' agents in the School's name.

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

Note 3 Long-term Debt

Operating Lease Obligation

The District has entered into an operating lease for the use of copiers. The minimum lease payments due as of June 30, 2023 are as follows:

2023-24	$	16,739
2024-25		16,739
2025-26		16,739
2026-27		4,185
Total		54,402

2020 General Obligation Bonds

On January 7, 2020, the District issued $4,800,000 in General Obligations Bonds for the purpose of constructing a new gymnasium/athletic facility, to replace a former facility that had been destroyed by a tornado in 2018. Repayment of these bonds will be through an annual tax levy, with payments extending until September 1, 2035.

Changes in Long-Term Debt

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
G.O. Building Bonds	3.00-4.00%	1/07/2020	4,800,000	9/01/2035	4,650,000		260,000	4,390,000	151,500
Other Liabilities:									
Early Retirement Program					64,000	8,000	23,000	49,000	-
Total Contractual Indebtedness					4,714,000	8,000	283,000	4,439,000	151,500

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	General Obligation Bonds		Early Retirement Program	
	Principal	Interest	Principal	Interest
2023-24	$ 270,000	140,900	20,000	-
2024-25	280,000	129,900	20,000	-
2025-26	290,000	118,500	7,000	-
2026-27	305,000	106,600	2,000	-
2027-28	315,000	94,200		
2028-29/2032-33	1,750,000	311,250		
2033-34/2035-36	1,180,000	53,850		
Total	4,390,000	955,200	49,000	-

Note 4 Risk Management

Insurance Coverage

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 Interfund Transfers

From	To	Regulatory Authority	Amount
General Fund	Pre-School Aged At Risk Fund	K.S.A. 72-5167	$ 80,485
General Fund	At Risk K-12 Fund	K.S.A. 72-5167	983,121
General Fund	Special Education Fund	K.S.A. 72-5167	705,325
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	133,210
Supplemental General Fund	At Risk K-12 Fund	K.S.A. 72-5143	220,239
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	860

Note 6 Other Long-Term Obligations from Operations

Compensated Absences

The School District's policies regarding sick leave permit employees a maximum accumulation of 90 days. At the time of termination, if the employee has been with the District for at least five years, the employee is compensated for unused sick days at the rate of $25 per day for Certified personnel and $10 per day for all other personnel. Non-certified, full-time employees are granted a maximum of three weeks vacation per year after five years service. Unused vacation time is lost at the end of each year. Policies prohibit payment for vacation time in lieu of time off and require the cancellation of unused vacation at the time of employment termination.

Early Retirement Incentive Plan

The School District has adopted a local early retirement incentive plan for all personnel. Under this plan, certified personnel who have 15 or more years service with the District, 20 years of credited service with Kpers, and are between the age of 55 and 65 may retire and receive an annual benefit of $5,000. Persons who retire under this program between the ages of 55 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

Under this same plan, classified employees who have 15 or more years service with the District, 20 years of credited services with Kpers, and have met the age and service requirements of Kpers (85 points), may retire and receive an annual benefit of $3,000 for 12-month employees and $2,000 for 9- and 10-month employees. Persons who retire under this program between the ages of 53 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

Defined Benefit Pension Plan

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (2611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11% , respectively, for the fiscal year ended June 30, 2023.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 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 2023 and 2023. Fiscal Year 2023 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 2023 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 2023 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 2023, $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 $843,052 from the State of Kansas for the year ended June 30, 2023.

Net Pension Liability. At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $7,826,797. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

Note 7 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The following funds had deficit unencumbered cash balances as of June 30, 2023, in the amounts indicated:

Elementary/Secondary School Emergency Relief Fund	$ 261,594
KDHE COVID Testing Grant Fund	9,003

In each of these funds, this deficit balance was caused by expenditures made in anticipation of federal funding reimbursements to be received in the 2023-24 fiscal year. This is not a violation of the Kansas Cash Basis Law.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 8 Subsequent Events

The District has evaluated subsequent events through December 14, 2023, the date which the financial statement was available to be issued.

SUPPLEMENTARY INFORMATION

Unified School District No. 389
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General	$ 5,814,555	(144,043)		5,670,512	5,670,512	
Supplemental General	1,818,468	(43,782)	860	1,775,546	1,775,546	
Special Purpose:						
Pre-School Aged At-Risk	110,000			110,000	80,503	(29,497)
At Risk K-12	1,210,000			1,210,000	883,884	(326,116)
Virtual Education	25,000			25,000		(25,000)
Capital Outlay	2,411,000		2,002	2,413,002	216,455	(2,196,547)
Driver Training	13,550			13,550	5,838	(7,712)
Food Service	533,750		29,148	562,898	499,067	(63,831)
Professional Development	52,566			52,566	19,101	(33,465)
Special Education	1,423,250			1,423,250	1,222,454	(200,796)
Career and Postsecondary Education	340,000		3,562	343,562	304,691	(38,871)
KPERS Special Retirement Contribution	905,636			905,636	843,052	(62,584)
Recreation Commission	128,947			128,947	128,947	
Bond and Interest:						
Bond and Interest	411,600			411,600	411,500	(100)
Totals	15,198,322	(187,825)	35,572	15,046,069	12,061,550	(2,984,519)

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Reimbursements	$ 150			
Revenue from State Sources				
General State Aid	4,949,973	5,065,664	4,976,622	89,042
Mineral Production Tax	343	323	200	123
Special Education Aid	636,641	604,525	693,690	(89,165)
Total Revenue from State Sources	5,586,957	5,670,512	5,670,512	
Revenue from Federal Sources				
P.L. 382	9,205			
Total Cash Receipts	5,596,312	5,670,512	5,670,512	
Expenditures and Transfers				
Instruction				
Certified Salaries	1,846,922	1,916,770	1,992,224	(75,454)
Non-Certified Salaries	34,498	29,787	50,000	(20,213)
Social Security	144,578	169,788	160,000	9,788
Other Employee Benefits	2,689	2,889	5,000	(2,111)
Miscellaneous Supplies	4,536	1,461		1,461
Other		792	10,000	(9,208)
Total Instruction	2,033,223	2,121,487	2,217,224	(95,737)
Support Services - Students				
Certified Salaries	282,604	294,621	300,000	(5,379)
Social Security	18,225	19,081	19,500	(419)
Other Employee Benefits	246	258	1,000	(742)
Total Support Services - Students	301,075	313,960	320,500	(6,540)
Support Services - Instr. Staff				
Certified Salaries	137,403	72,983	150,000	(77,017)
Other Employee Benefits	112	61	500	(439)
Total Support Services - Instr. Staff	137,515	73,044	150,500	(77,456)
General Administration				
Certified Salaries	87,715	89,103	92,500	(3,397)
Non-Certified Salaries	12,843	13,092	15,000	(1,908)
Social Security	10,278	10,653	13,000	(2,347)
Other Employee Benefits	66	68	1,000	(932)
Purchased Professional and Technical Services			1,000	(1,000)
Other Official/Administrative Services	5			
Total General Administration	110,907	112,916	122,500	(9,584)
School Administration				
Certified Salaries	279,248	290,548	300,000	(9,452)
Non-Certified Salaries	180,654	186,848	200,000	(13,152)
Social Security	29,211	31,049	35,000	(3,951)
Other Employee Benefits	411	437	1,000	(563)
Total School Administration	489,524	508,882	536,000	(27,118)
Support Services - Business				
Non-Certified Salaries	78,787	80,743	90,000	(9,257)
Operations and Maintenance				
Non-Certified Salaries	312,435	321,020	325,000	(3,980)
Social Security	19,565	20,393	25,000	(4,607)
Other Employee Benefits	237	185	1,000	(815)
Total Operations and Maintenance	332,237	341,598	351,000	(9,402)
Vehicle Operation Services				
Non-Certified Salaries	146,863	146,677	165,000	(18,323)
Social Security	10,210	10,058	12,500	(2,442)
Other Employee Benefits	159	159	500	(341)
Total Vehicle Operation Services	157,232	156,894	178,000	(21,106)

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Vehicle Servicing/Maintenance				
Non-Certified Salaries	$ 53,241	55,227	60,000	(4,773)
Social Security	3,377	3,577	5,000	(1,423)
Other Employee Benefits	41	43	500	(457)
Total Vehicle Servicing/Maintenance	56,659	58,847	65,500	(6,653)
Fund Transfers				
Pre-School Aged At-Risk	77,386	80,485	80,000	485
At Risk K-12	1,007,371	983,121	856,288	126,833
Virtual Education			25,000	(25,000)
Driver Training			8,353	(8,353)
Professional Development			20,000	(20,000)
Special Education	664,898	705,325	693,690	11,635
Career and Postsecondary Education	149,500	133,210	100,000	33,210
Total Fund Transfers	1,899,155	1,902,141	1,783,331	118,810
Budget Adjustments				
Legal Max Adjustment			(144,043)	144,043
Total Expenditures and Transfers	5,596,314	5,670,512	5,670,512	
Receipts Over (Under) Expenditures and Transfers	(2)			
Unencumbered Cash, Beginning	2			
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending				

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 689,105	606,834	478,913	127,921
Delinquent Taxes	16,042	12,695	9,976	2,719
Watercraft Tax	1,593	1,537		1,537
Reimbursements	400	860		860
Total Revenue from Local Sources	707,140	621,926	488,889	133,037
Revenue from County Sources				
Motor Vehicle Tax	76,358	71,298	46,548	24,750
Recreational Vehicle Tax	1,752	1,479	1,040	439
Commercial Vehicle Tax	2,614	3,152	1,459	1,693
Revenue in Lieu of Taxes	1,419	1,386		1,386
Total Revenue from County Sources	82,143	77,315	49,047	28,268
Revenue from State Sources				
Supplemental State Aid	997,607	976,964	957,285	19,679
Total Cash Receipts	1,786,890	1,676,205	1,495,221	180,984
Expenditures and Transfers				
Instruction				
Staff Travel	8,721	10,486		10,486
Other Miscellaneous Purchased Services			7,500	(7,500)
Supplies and Materials	60,658	45,651	60,000	(14,349)
Textbooks	102,621	13,819	89,205	(75,386)
Miscellaneous Supplies	189,374	185,585	165,000	20,585
Property (Equipment & Furnishings)	56,870	3,198	40,000	(36,802)
Total Instruction	418,244	258,739	361,705	(102,966)
Support Services - Students				
Supplies and Materials	3,095	7,374	5,000	2,374
Support Services - Instr. Staff				
Books and Periodicals	9,020	3,869	10,000	(6,131)
General Administration				
Purchased Professional and Technical Services	148,999	116,381	150,000	(33,619)
Board of Education Services	57	1,261		1,261
Other Official/Administrative Services	3,152	12,425		12,425
Insurance	247,994	260,121	255,000	5,121
Communication Services			5,000	(5,000)
Other Miscellaneous Purchased Services			10,000	(10,000)
Supplies and Materials	10,008	7,468	7,500	(32)
Total General Administration	410,210	397,656	427,500	(29,844)
Support Services - Business				
Postage	7,412	6,519		6,519
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	6,175	6,989	7,000	(11)
Cleaning Services			15,000	(15,000)
Disposal Services	13,377	13,022		13,022
Repairs and Maintenance	78,962	70,661	80,000	(9,339)
Rentals/Leases	43,147	40,227	43,500	(3,273)
Communication Services	29,622	40,112		40,112
Other Miscellaneous Purchased Services			32,000	(32,000)
Supplies and Materials	58,226	32,064	60,000	(27,936)
Heating	51,047	94,545	55,000	39,545
Electricity	232,449	273,345	240,000	33,345
Motor Fuel	801	1,102	1,500	(398)
Other	35,721	40,658	35,000	5,658
Total Operations and Maintenance	549,527	612,725	569,000	43,725

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Vehicle Operation Services				
Motor Fuel	$ 82,147	31,322	90,000	(58,678)
Equipment			2,000	(2,000)
Other	2,162	35,913		35,913
Total Vehicle Operation Services	84,309	67,235	92,000	(24,765)
Vehicle Servicing/Maintenance				
Supplies and Materials	69,338	200,330	65,000	135,330
Fund Transfers				
Pre-School Aged At-Risk			30,000	(30,000)
At Risk K-12	192,304	220,239	222,762	(2,523)
Special Education	400	860		860
Career and Postsecondary Education			35,501	(35,501)
Total Fund Transfers	192,704	221,099	288,263	(67,164)
Budget Adjustments				
Legal Max Adjustment			(43,782)	43,782
Budget Credit Adjustment			860	(860)
Total Expenditures and Transfers	1,743,859	1,775,546	1,775,546	
Receipts Over (Under) Expenditures and Transfers	43,031	(99,341)		
Unencumbered Cash, Beginning	172,496	279,465		
Prior Year Encumbrances Cancelled	63,938	101,963		
Unencumbered Cash, Ending	279,465	282,087		

Unified School District No. 389
Pre-School Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 77,386	80,485	80,000	485
Transfer from Supplemental General Fund			30,000	(30,000)
Total Cash Receipts	77,386	80,485	110,000	(29,515)
Expenditures and Transfers				
Instruction				
Certified Salaries	72,541	75,522	75,000	522
Non-Certified Salaries			25,000	(25,000)
Social Security	4,699	4,981	5,000	(19)
General Teaching Supplies	146		5,000	(5,000)
Total Expenditures and Transfers	77,386	80,503	110,000	(29,497)
Receipts Over (Under) Expenditures and Transfers		(18)		
Unencumbered Cash, Beginning				
Prior Year Encumbrances Cancelled		18		
Unencumbered Cash, Ending				

Unified School District No. 389
At Risk K-12 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 1,007,371	983,121	856,288	126,833
Transfer from Supplemental General Fund	192,304	220,239	222,762	(2,523)
Total Cash Receipts	1,199,675	1,203,360	1,079,050	124,310
Expenditures and Transfers				
Instruction				
Certified Salaries	779,955	830,026	850,000	(19,974)
Non-Certified Salaries	60		150,000	(150,000)
Social Security	50,430	53,858	60,000	(6,142)
General Teaching Supplies			50,000	(50,000)
Property (Equipment & Furnishings)			100,000	(100,000)
Total Expenditures and Transfers	830,445	883,884	1,210,000	(326,116)
Receipts Over (Under) Expenditures and Transfers	369,230	319,476		
Unencumbered Cash, Beginning	303,658	672,888		
Unencumbered Cash, Ending	672,888	992,364		

Unified School District No. 389
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$		25,000	(25,000)
Total Cash Receipts			25,000	(25,000)
Expenditures and Transfers				
Instruction				
Certified Salaries			10,000	(10,000)
Social Security			500	(500)
Purchased Professional and Technical Services			14,500	(14,500)
Total Expenditures and Transfers			25,000	(25,000)
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 329,258	329,842	274,568	55,274
Delinquent Taxes	6,672	5,740	4,806	934
Watercraft Tax	708	363		363
Interest on Investments		57,549		57,549
Other Revenue From Local Sources	56,672	49,142	50,000	(858)
Total Revenue from Local Sources	393,310	442,636	329,374	113,262
Revenue from County Sources				
Motor Vehicle Tax	33,194	32,510	21,271	11,239
Recreational Vehicle Tax	763	680	476	204
Commercial Vehicle Tax	1,150	1,849	667	1,182
Revenue in Lieu of Taxes	2,211	2,337		2,337
Total Revenue from County Sources	37,318	37,376	22,414	14,962
Revenue from State Sources				
General State Aid	155,407	157,220	158,563	(1,343)
Revenue from Federal Sources				
Federal Flood Control Allocation	2,207	2,002		2,002
P.L. 382	3,945	3,575	12,000	(8,425)
Total Revenue from Federal Sources	6,152	5,577	12,000	(6,423)
Total Cash Receipts	592,187	642,809	522,351	120,458
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)			700,000	(700,000)
Support Services - Students				
Property (Equipment & Furnishings)			180,000	(180,000)
Operations and Maintenance				
Property (Equipment & Furnishings)	133,715	153,500	250,000	(96,500)
Vehicle Operation Services				
Property (Equipment & Furnishings)			230,000	(230,000)
Facilities Acquisition/Construction				
Architectural Services			51,000	(51,000)
Site Improvement	40,375	62,955	1,000,000	(937,045)
Total Facilities Acquisition/Construction	40,375	62,955	1,051,000	(988,045)
Budget Credit Adjustment			2,002	(2,002)
Total Expenditures and Transfers	174,090	216,455	2,413,002	(2,196,547)
Receipts Over (Under) Expenditures and Transfers	418,097	426,354		
Unencumbered Cash, Beginning	3,649,313	4,067,410		
Prior Year Encumbrances Cancelled		15,825		
Unencumbered Cash, Ending	4,067,410	4,509,589		

Unified School District No. 389
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	$ 560	460		460
Revenue from State Sources				
General State Aid	3,660	5,041	4,860	181
Operating Transfers				
Transfer from General Fund			8,353	(8,353)
Total Cash Receipts	4,220	5,501	13,213	(7,712)
Expenditures and Transfers				
Instruction				
Certified Salaries	8,574	4,862	9,000	(4,138)
Social Security	684	805	900	(95)
Other Employee Benefits	9	11	150	(139)
Supplies and Materials	1,199	160		160
General Teaching Supplies			2,500	(2,500)
Total Instruction	10,466	5,838	12,550	(6,712)
Vehicle Operation/Maintenance				
Motor Fuel	534		1,000	(1,000)
Total Expenditures and Transfers	11,000	5,838	13,550	(7,712)
Receipts Over (Under) Expenditures and Transfers	(6,780)	(337)		
Unencumbered Cash, Beginning	7,117	337		
Unencumbered Cash, Ending	337			

Unified School District No. 389
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Student Sales	$ 244	58,803	67,825	(9,022)
Adults and Non-Reimbursable Programs	2,651	2,524	10,323	(7,799)
Other Revenue From Local Sources	9,629	7,098	8,500	(1,402)
Total Revenue from Local Sources	12,524	68,425	86,648	(18,223)
Revenue from State Sources				
General State Aid	3,285	3,246	2,940	306
Revenue from Federal Sources				
Federal Financial Assistance	507,476	315,491	302,915	12,576
Fresh Fruits and Vegetables Grant		12,818		12,818
Other Federal Financial Assistance		28,754	25,000	3,754
Total Revenue from Federal Sources	507,476	357,063	327,915	29,148
Total Cash Receipts	523,285	428,734	417,503	11,231
Expenditures and Transfers				
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	2,768	2,773	5,000	(2,227)
Food Service Operations				
Non-Certified Salaries	111,626	124,828	140,000	(15,172)
Social Security	7,743	7,593	8,500	(907)
Other Employee Benefits	94	91	250	(159)
Food and Milk	270,071	274,296	300,000	(25,704)
Miscellaneous Supplies	20,469	13,404	25,000	(11,596)
Property (Equipment & Furnishings)	40,783	60,771	40,000	20,771
Other	13,958	15,311	15,000	311
Total Food Service Operations	464,744	496,294	528,750	(32,456)
Budget Credit Adjustment			29,148	(29,148)
Total Expenditures and Transfers	467,512	499,067	562,898	(63,831)
Receipts Over (Under) Expenditures and Transfers	55,773	(70,333)		
Unencumbered Cash, Beginning	214,588	271,159		
Prior Year Encumbrances Cancelled	798			
Unencumbered Cash, Ending	271,159	200,826		

Unified School District No. 389
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
General State Aid	$	2,198	281	1,917
Operating Transfers				
Transfer from General Fund			20,000	(20,000)
Total Cash Receipts		2,198	20,281	(18,083)
Expenditures and Transfers				
Support Services - Instr. Staff				
Instructional Program Improvement Services	14,357	19,101	52,566	(33,465)
Total Expenditures and Transfers	14,357	19,101	52,566	(33,465)
Receipts Over (Under) Expenditures and Transfers	(14,357)	(16,903)		
Unencumbered Cash, Beginning	45,471	32,285		
Prior Year Encumbrances Cancelled	1,171			
Unencumbered Cash, Ending	32,285	15,382		

Unified School District No. 389
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Interest on Investments	$ 23,560	202,141	15,000	187,141
Revenue from Federal Sources				
Federal Financial Assistance	223,953	195,706	214,539	(18,833)
Medicaid Title XIX	48,666	60,939	40,000	20,939
Total Revenue from Federal Sources	272,619	256,645	254,539	2,106
Operating Transfers				
Transfer from General Fund	664,898	705,325	693,690	11,635
Transfer from Supplemental General Fund	400	860		860
Total Operating Transfers	665,298	706,185	693,690	12,495
Total Cash Receipts	961,477	1,164,971	963,229	201,742
Expenditures and Transfers				
Instruction				
Certified Salaries	473,624	460,674	595,500	(134,826)
Non-Certified Salaries	396,744	458,178	448,000	10,178
Social Security	53,922	58,962	60,000	(1,038)
Other Employee Benefits	645	711	1,000	(289)
Purchased Professional and Technical Services	80,835	105,106	100,000	5,106
Tuition	5,639		10,000	(10,000)
Supplies and Materials	19,694	24,931	25,000	(69)
Miscellaneous Supplies	90		100	(100)
Total Instruction	1,031,193	1,108,562	1,239,600	(131,038)
Support Services - Students				
Certified Salaries	59,987	61,787	75,000	(13,213)
Social Security	4,591	4,731	5,000	(269)
Other Employee Benefits	56	58		58
Purchased Professional and Technical Services			150	(150)
Total Support Services - Students	64,634	66,576	80,150	(13,574)
Vehicle Operation Services				
Non-Certified Salaries	31,843	36,287	40,000	(3,713)
Social Security	2,419	2,739	3,500	(761)
Motor Fuel	5,038	8,290	10,000	(1,710)
Property (Equipment & Furnishings)	46,650		50,000	(50,000)
Total Vehicle Operation Services	85,950	47,316	103,500	(56,184)
Total Expenditures and Transfers	1,181,777	1,222,454	1,423,250	(200,796)
Receipts Over (Under) Expenditures and Transfers	(220,300)	(57,483)		
Unencumbered Cash, Beginning	853,579	633,705		
Prior Year Encumbrances Cancelled	426	345		
Unencumbered Cash, Ending	633,705	576,567		

Unified School District No. 389
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
CTE Transportation State Aid	$	10,920	16,830	(5,910)
Revenue from Federal Sources				
Federal Financial Assistance	6,438	3,562		3,562
P.L. 382		9,182		9,182
Total Revenue from Federal Sources	6,438	12,744		12,744
Operating Transfers				
Transfer from General Fund	149,500	133,210	100,000	33,210
Transfer from Supplemental General Fund			35,501	(35,501)
Total Operating Transfers	149,500	133,210	135,501	(2,291)
Total Cash Receipts	155,938	156,874	152,331	4,543
Expenditures and Transfers				
Instruction				
Certified Salaries	225,130	227,227	250,000	(22,773)
Purchased Professional and Technical Services	6,439			
General Teaching Supplies			25,000	(25,000)
Miscellaneous Supplies	48,431	77,464	65,000	12,464
Total Instruction	280,000	304,691	340,000	(35,309)
Budget Credit Adjustment			3,562	(3,562)
Total Expenditures and Transfers	280,000	304,691	343,562	(38,871)
Receipts Over (Under) Expenditures and Transfers	(124,062)	(147,817)		
Unencumbered Cash, Beginning	305,746	187,670		
Prior Year Encumbrances Cancelled	5,986	4,044		
Unencumbered Cash, Ending	187,670	43,897		

Unified School District No. 389
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Local Sources			
Donations	$	10,404	271
Revenue from State Sources			
Kansas Safe and Secure Schools			10,615
Total Cash Receipts		10,404	10,886
Expenditures and Transfers			
Instruction			
Property (Equipment & Furnishings)		1,254	1,150
Total Expenditures and Transfers		1,254	1,150
Receipts Over (Under) Expenditures and Transfers		9,150	9,736
Unencumbered Cash, Beginning		11,737	20,887
Unencumbered Cash, Ending		20,887	30,623

Unified School District No. 389
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 808,604	843,052	905,636	(62,584)
Total Cash Receipts	808,604	843,052	905,636	(62,584)
Expenditures and Transfers				
Instruction				
Other Employee Benefits	541,348	588,991	606,310	(17,319)
Support Services - Students				
Other Employee Benefits	40,441	39,994	45,294	(5,300)
Support Services - Instr. Staff				
Other Employee Benefits	18,865	14,112	21,129	(7,017)
General Administration				
Other Employee Benefits	26,469	28,080	29,645	(1,565)
School Administration				
Other Employee Benefits	70,786	68,471	79,280	(10,809)
Support Services - Business				
Other Employee Benefits	12,879	12,289	14,424	(2,135)
Operations and Maintenance				
Other Employee Benefits	55,465	47,427	62,121	(14,694)
Vehicle Operation Services				
Other Employee Benefits	27,425	30,046	30,716	(670)
Operation of Non-Instruction Services				
Other Employee Benefits	14,926	13,642	16,717	(3,075)
Total Expenditures and Transfers	808,604	843,052	905,636	(62,584)
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	$	
Expenditures and Transfers		
None		
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	478,785	478,785
Unencumbered Cash, Ending	478,785	478,785

Unified School District No. 389
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
User Charges and Fines	$ 15,316	16,866
Rental Fees and Books	8,897	8,219
Total Cash Receipts	24,213	25,085
Expenditures and Transfers		
Instruction		
Supplies and Materials	14,051	15,446
Textbooks	57,456	
Total Expenditures and Transfers	71,507	15,446
Receipts Over (Under) Expenditures and Transfers	(47,294)	9,639
Unencumbered Cash, Beginning	108,534	61,240
Unencumbered Cash, Ending	61,240	70,879

Unified School District No. 389
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 120,440	114,278	94,747	19,531
Delinquent Taxes	2,691	2,205	1,742	463
Watercraft Tax	280	269		269
Total Revenue from Local Sources	123,411	116,752	96,489	20,263
Revenue from County Sources				
Motor Vehicle Tax	13,110	12,510	8,170	4,340
Recreational Vehicle Tax	301	259	183	76
Commercial Vehicle Tax	454	552	256	296
Revenue in Lieu of Taxes	249	242		242
Total Revenue from County Sources	14,114	13,563	8,609	4,954
Total Cash Receipts	137,525	130,315	105,098	25,217
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	118,457	128,947	128,947	
Total Expenditures and Transfers	118,457	128,947	128,947	
Receipts Over (Under) Expenditures and Transfers	19,068	1,368		
Unencumbered Cash, Beginning	4,781	23,849		
Unencumbered Cash, Ending	23,849	25,217		

Unified School District No. 389
Elementary/Secondary School Emergency Relief Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 300,297	598,967
Total Cash Receipts	300,297	598,967
Expenditures and Transfers		
Instruction		
Certified Salaries	223,243	333,523
Non-Certified Salaries	8,973	3,995
General Teaching Supplies	8,751	8,096
Property (Equipment & Furnishings)	11,195	76,510
Equipment		224,115
Total Expenditures and Transfers	252,162	646,239
Receipts Over (Under) Expenditures and Transfers	48,135	(47,272)
Unencumbered Cash, Beginning	(262,457)	(214,322)
Unencumbered Cash, Ending	(214,322)	(261,594)

Unified School District No. 389
REAP Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 8,604	12,606
Total Cash Receipts	8,604	12,606
Expenditures and Transfers		
Support Services - Instr. Staff		
Purchased Professional and Technical Services		2,750
Total Expenditures and Transfers		2,750
Receipts Over (Under) Expenditures and Transfers	8,604	9,856
Unencumbered Cash, Beginning	(8,604)	
Unencumbered Cash, Ending		9,856

Unified School District No. 389
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 155,648	154,058
Total Cash Receipts	155,648	154,058
Expenditures and Transfers		
Instruction		
Certified Salaries	134,834	142,074
Social Security	28,189	11,484
Supplies and Materials	954	
Total Instruction	163,977	153,558
Support Services - Students		
Other	1,803	500
Total Expenditures and Transfers	165,780	154,058
Receipts Over (Under) Expenditures and Transfers	(10,132)	
Unencumbered Cash, Beginning	10,132	
Prior Year Encumbrances Cancelled		208
Unencumbered Cash, Ending		208

Unified School District No. 389
KDHE COVID Testing Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 24,026	52,047
Total Cash Receipts	24,026	52,047
Expenditures and Transfers		
Support Services - Students		
General Teaching Supplies	630	14,038
General Administration		
Certified Salaries	31,532	38,876
Total Expenditures and Transfers	32,162	52,914
Receipts Over (Under) Expenditures and Transfers	(8,136)	(867)
Unencumbered Cash, Beginning		(8,136)
Unencumbered Cash, Ending	(8,136)	(9,003)

Unified School District No. 389
Title II Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	24,631	26,999
Total Cash Receipts		24,631	26,999
Expenditures and Transfers			
Support Services - Instr. Staff			
Instructional Program Improvement Services		24,631	26,999
Total Expenditures and Transfers		24,631	26,999
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			6,091
Prior Year Encumbrances Cancelled		6,091	1,093
Unencumbered Cash, Ending		6,091	7,184

Unified School District No. 389
Title IV-A Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 17,479	17,732
Total Cash Receipts	17,479	17,732
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	17,479	17,732
Total Expenditures and Transfers	17,479	17,732
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		10,496
Prior Year Encumbrances Cancelled	10,496	
Unencumbered Cash, Ending	10,496	10,496

Unified School District No. 389
Families and Schools Together Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	$	
Expenditures and Transfers		
None		
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	4,765	4,765
Unencumbered Cash, Ending	4,765	4,765

Unified School District No. 389
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 486,984	417,971	348,255	69,716
Delinquent Taxes	9,519	8,303	7,099	1,204
Watercraft Tax	1,056	1,090		1,090
Total Revenue from Local Sources	497,559	427,364	355,354	72,010
Revenue from County Sources				
Motor Vehicle Tax	45,821	48,443	31,701	16,742
Recreational Vehicle Tax	1,061	1,012	709	303
Commercial Vehicle Tax	1,654	2,188	994	1,194
Revenue in Lieu of Taxes	946	986		986
Total Revenue from County Sources	49,482	52,629	33,404	19,225
Revenue from State Sources				
General State Aid	37,164	25,784	28,805	(3,021)
Total Cash Receipts	584,205	505,777	417,563	88,214
Expenditures and Transfers				
Debt Service				
Redemption of Principal	150,000	260,000	260,000	
Interest (Coupons)	159,700	151,500	151,500	
Commission and Postage			100	(100)
Total Expenditures and Transfers	309,700	411,500	411,600	(100)
Receipts Over (Under) Expenditures and Transfers	274,505	94,277		
Unencumbered Cash, Beginning	820,012	1,094,517		
Unencumbered Cash, Ending	1,094,517	1,188,794		

Unified School District No. 389
Gym Construction Project Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Interest on Investments	$ 141	1
Total Cash Receipts	141	1
Expenditures and Transfers		
Facilities Acquisition/Construction		
New Buildings Acquisition and Construction	1,180	
Total Expenditures and Transfers	1,180	
Receipts Over (Under) Expenditures and Transfers	(1,039)	1
Unencumbered Cash, Beginning	1,047	8
Prior Year Encumbrances Cancelled		
Unencumbered Cash, Ending	8	9

Unified School District No. 389
Bond Refinancing Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
None	$		
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning		664	664
Unencumbered Cash, Ending		664	664

Unified School District No. 389
Tornado Relief Donations Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

		Prior Year Actual	Current Year Actual
Cash Receipts			
None	$		
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning		6,964	6,964
Unencumbered Cash, Ending		6,964	6,964

Unified School District No. 389
Eureka, Kansas
Agency Funds
Schedule of Receipts and Cash Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School:				
Ambassadors	$ 525	-	-	525
Art Club	3,475	3,751	4,256	2,970
Band	801	2,144	2,389	556
Band Fees and Rental	-	295	295	-
Baseball	1,394	616	320	1,690
Birkholz Memorial	300	-	-	300
Boys Basketball	520	800	1,087	233
Boys Golf	-	6,166	3,537	2,629
Cheerleaders	4,530	7,937	7,141	5,326
Class of '17	252	-	-	252
Class of '18	951	-	951	-
Class of '19	186	-	186	-
Class of '20	1,581	-	1,581	-
Class of '21	2,919	-	844	2,075
Class of '22	1,028	-	-	1,028
Class of '23	1,178	188	1,132	234
Class of '24	2,719	1,322	2,876	1,165
Class of '25	1,253	1,367	-	2,620
Class of '26	464	606	-	1,070
Class of '27	365	21	-	386
Class of '28	-	447	-	447
Cross Country	1,368	-	64	1,304
E-Club	288	-	-	288
Educational Trips	940	-	124	816
English Eight	342	1	-	343
English Reading	1,168	-	-	1,168
Family & Consumer Science	-	640	640	-
FCA	9,452	6,696	6,925	9,223
FCCLA	409	8,942	8,974	377
FFA	20,379	36,335	39,020	17,694
Film Class Fee	-	10	10	-
Football	2,607	5,046	4,444	3,209
Foreign Language Club	4,306	2,331	2,645	3,992
Forensics	1,979	376	448	1,907
Girls Basketball	1,273.00	1,758	2,935	96
Girls Golf	335.00	-	90	245
High School Track	108	893	729	272
Junior High Cheerleaders	2,173	633	2,028	778
Junior High Girls Basketball	-	389	-	389
Junior High Volleyball	-	1,257	25	1,232
National Honor Society	319	250	385	184
Pep Club	1,520	-	-	1,520
Pop Chorale	156	702	192	666
Prom Partners	562	-	-	562
SADD	5,897	3,167	4,880	4,184
Safe	1,976	1,200	718	2,458
Scholar's Bowl	2,504	711	948	2,267
School Farm	350	100	-	450
Science Club	5,266	4,354	3,195	6,425
Science Fund	-	1,936	1,936	-
Skills	113	156		269
Speech and Drama Club	5,901	1,496	1,581	5,816
Stuco Vending	978	3,913	3,262	1,629
Student Council	307	1,929	1,442	794
Student Council Pop	442	6,626	5,477	1,591
Testing Fees	340	-	-	340
Tornado Cave	7,691	10,615	7,175	11,131
Trap Shoot	1,000	-	-	1,000
Twisted Design	12,766	14,179	15,785	11,160
Vocal Music	-	135	135	-
Wrestling	1,114	250	599	765
Yearbook Club	493	614	260	847
Other Agency Funds				
Payroll Clearing	262,380	2,786,121	2,784,461	264,040
Sales Tax	13	7,646	7,644	15
Total Agency Funds	383,656	2,937,067	2,935,771	384,952

Unified School District No. 389
Eureka, Kansas
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
High School:						
Athletics	$ 11,777	65,331	72,704	4,404		4,404
Concessions	5,365	16,935	17,300	5,000	-	5,000
Subtotal Gate Receipts	17,142	82,266	90,004	9,404	-	9,404
Special Projects:						
Marshall Elementary:						
Book Fair	2,832	4,352	3,073	4,111		4,111
General Clearing	952	41,061	41,377	636		636
Pop Machine	9,473	6,162	6,608	9,027		9,027
Student Needs	6,682	22,391	17,098	11,975		11,975
High School:						
Activities Change Account	791	49,456	49,456	791		791
Athletic T-Shirts	36	90	90	36		36
Copy Center Equipment	2,578	185	-	2,763		2,763
Dual Credit Scholarship Loans	2,325	576	705	2,196		2,196
Larry Shue Memorial	4,034	18	-	4,052		4,052
Lift-a-thon	687	-	-	687		687
Scholarships	34,762	23,498	7,700	50,560		50,560
Scholarships - Williams/Nuessen	5,110	-	250	4,860		4,860
Scholarships-ETA	181	-	-	181		181
Scholarships-Ghyneth	34,189	85	-	34,274		34,274
Scholarships-Jean Gundy	25,858	-	-	25,858		25,858
Scholarships-John May	567	-	100	467		467
Scholarships- Peffer Family	10,000	30	-	10,030		10,030
Scholarships-Larry Shue	338	126	-	464		464
Special Ed Program	6,939	674	503	7,110		7,110
Yearbook	205	2,712	2,604	313	-	313
Subtotal Special Projects	148,539	151,416	129,564	170,391	-	170,391
Total District Activity Funds	165,681	233,682	219,568	179,795	-	179,795

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

Board of Education
Unified School District No. 389
Eureka, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 389, Eureka, Kansas, (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 14, 2023, which was qualified because the District prepares its financial statement 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 our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
December 14, 2023

Rodney M. Burns
CPA

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

Board of Education
Unified School District No. 389
Eureka, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 389, Eureka, Kansas, (the District) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and other provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
December 14, 2023

Unified School District No. 389
Eureka, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

I. Summary of Independent Auditors' Results

Financial Statement:
The independent auditors' report expresses an adverse opinion on the financial statement of Unified School District No. 389 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an unmodified opinion on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____	Yes	X	No
Significant deficiency(ies) identified?	____	Yes	X	None reported
Non compliance or other matters required to be reported under *Government Auditing Standards?*	____	Yes	X	No

Federal Awards:
Internal control over major programs:

Material weakness(es) identified?	____	Yes	X	No
Significant deficiency(ies) identified?	____	Yes	X	None reported

The independent auditors' report on compliance for the major federal award programs for Unified School District No. 389 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____	Yes	X	No

Identification of major programs:

U.S. Department of Education
Elementary Stabilization Fund - Elementary and Secondary School Emergency Relief Fund — CFDA #84.425D

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

Auditee qualified as a low risk auditee?	____	Yes	X	No

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

Unified School District No. 389
Eureka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures	Provided to Subrecipients
U.S. Department of Agriculture					
Passed through State Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	DO389	10.553 $	77,380	77,380	0
National School Lunch Program - COVID-19	DO389	10.555	28,754	28,754	0
National School Lunch Program	DO389	10.555	210,711	210,711	0
Summer Food Service Program for Children	DO389	10.559	27,399	27,399	0
Fresh Fruits and Vegetables Program	DO389	10.582	12,819	12,819	0
	Total Child Nutrition Cluster		357,063	357,063	0
Total U.S. Department of Agriculture			357,063	357,063	0
U.S. Department of the Interior					
Passed through Woodson County, Kansas					
Payments in Lieu of Taxes		15.226	5,058	5,058	
Passed through Greenwood County, Kansas					
Payments in Lieu of Taxes		15.226	1,896	1,896	0
Total U.S. Department of Agriculture			6,954	6,954	0
U.S. Department of Education					
Impact Aid		84.041	12,757	12,757	0
Passed through Kansas Department of Education					
Special Education Cluster:					
Special Education - Grants to States	DO389	84.027	179,709	179,709	0
Special Education - Grants to States (Targeted)	DO389	84.027	9,150	0	0
Special Education - Preschool Grants	DO389	84.173	6,847	6,847	0
	Total Special Education Cluster		195,706	186,556	0
Title I Grant to Local Educational Agencies	DO389	84.010	154,058	154,058	0
Career and Technical Education - Basic Grants to States	DO389	84.048	3,562	3,562	0
Improving Teacher Quality State Grants	DO389	84.367	26,999	26,999	0
Student Support and Academic Enrichment Program	DO389	84.424	17,732	17,732	0
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund - COVID-19	DO389	84.425D	598,967	646,239	0 (1)
Passed through Southeast Kansas Education Service Center					
Career and Technical Education - Basic Grants to States		84.048	4,025	5,619	0
Rural Education (Direct)		84.358	12,606	2,750	0
Total U.S. Department of Education			1,026,412	1,056,272	0
U.S. Department of Health and Human Services					
Passed through Kansas Department of Education					
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - COVID-19	DO389	93.323	52,047	52,914	0
Total Federal Awards			1,442,476	1,473,203	0

(1) This program was considered to be a major program

Note to the Schedule of Expenditures of Federal Awards:

Note A: General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal financial assistance programs of Unified School District No. 389, Eureka, Kansas (the District). The reporting entity is defined in Note 1 of the District's basic financial statement. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies are included on the Schedule.

Note B: Indirect Cost Rate

The District did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance

Note C: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is presented using the regulatory basis of accounting, which is described in Note 1 of the District's basic financial statement. This is the same basis of accounting used in the District's regulatory basis financial statement. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.