FORT LEAVENWORTH USD 207

Fort Leavenworth, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

June 30, 2023

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
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December 11, 2023

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Fort Leavenworth USD 207
Fort Leavenworth, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Fort Leavenworth USD 207 (the District), as of and for the year ended June 30, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis 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 they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) 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), KMAAG, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits. 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 the 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 KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that 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.

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1,2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 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 11, 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 Districts 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds:							
General Fund	$ -	172	$ 9,161,844	$ 9,161,848	$ 168	$ 642,854	$ 643,022
Supplemental General Fund	1,595	-	3,063,517	3,068,577	(3,465)	76,130	72,665
Special Purpose Funds							
Capital Outlay Fund	181,552	-	12,458,723	11,853,387	786,888	(3,300)	783,588
Food Service Fund	521,859	-	695,914	824,264	393,509	8,354	401,863
Special Education Fund	534,602	-	2,677,859	2,702,823	509,638	56,884	566,522
At-Risk Fund	415,950	-	356,656	376,274	396,332	12,913	409,245
Professional Development Fund	461,404	-	13,958	77,433	397,929	4,951	402,880
Kansas Parent Education Fund	-	-	40,000	40,000	-	-	-
KPERS Special Retirement Contribution Fund	-	-	1,806,136	1,806,136	-	-	-
Federal Grant Funds (Budgeted)	502,852	4,184	2,592,333	2,655,452	443,917	9,111	453,028
Bilingual Education Fund	312,720	-	227,310	242,789	297,241	7,987	305,228
Textbook Fund	627,770	-	75,000	359,233	343,537	933	344,470
District Café Fund	3,754	-	26,201	26,583	3,372	-	3,372
Contingency Reserve Fund	684,640	-	200,000	369,444	515,196	(2,748)	512,448
Colonel Griswold Endowment Fund	49,550	-	50,288	32,058	67,780	-	67,780
NG3D Grant Fund	8,962	-	-	-	8,962	-	8,962
Impact Aid 7003 Fund	234,059	-	2,457,987	2,500,348	191,698	25,175	216,873
District Activity Funds	25,133	-	68,906	65,472	28,567	-	28,567
Total Reporting Entity (Excluding Agency Funds)	$ 4,566,402	$ 4,356	$ 35,972,632	$ 36,162,121	$ 4,381,269	$ 839,244	$ 5,220,513
Composition of Cash							
Checking							$ 364,436
Petty Cash Funds							200
Municipal Investment Pool							3,787,863
Money Market Account							1,039,447
Activity Funds - Checking Accounts							39,278
Total Cash							$ 5,231,224
Less: Agency Funds per Schedule 3							(10,711)
Total Reporting Entity (Excluding Agency Funds)							$ 5,220,513

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2023

Note 1: Summary of Significant Accounting Policies

Fort Leavenworth USD 207 (the District) is a Kansas school district governed by a three-member Board of Education. The District prepares and reports its financial information in conformance with the regulatory basis of accounting as prescribed by the Director of Accounts and Reports of the State of Kansas and published in the *Kansas Municipal Audit and Accounting Guide*.

Fund Descriptions

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:

Regulatory Basis Fund Types

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

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

Agency Fund -- used to report assets held by the District in a purely custodial capacity.

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

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

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute) and bond and interest 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 twelve month period on or before August 1st of each year.

2. Publication in a local newspaper of the proposed budget and this 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.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The 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.

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

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

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

Textbook	Colonel Griswold Endowment
District Café	Impact Aid 7003
Contingency Reserve	District Activity Funds

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

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

Note 1: Summary of Significant Accounting Policies (Continued)

Chargeable Leave Benefits

All employees accrue chargeable leave at the rate of 13 days per year, accumulating to a maximum of 100 days. Other employees accrue leave based on the position occupied and contract days. Vacation is accumulated at the rate of 10 to 15 days per year depending upon the employee's length of service and classification. Benefits are prorated for part-time employees.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase.

Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

Note 2: Deposits and Investments

At June 30, 2023, the District had the following investments and maturities:

Investment Type	Fair Value	Maturity	Rating
Kansas Municipal Investment Pool	$ 3,787,863	Less than a year	N/A

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk -- deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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.

At June 30, 2023, the carrying amount of the District's deposits was $1,443,161. The bank balance was $1,663,021. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balances, $250,000 was secured by FDIC insurance and the remaining was collateralized by pledged securities with a fair market value of $15,411,637 held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank.

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. As of June 30, 2023, the District had no cash investments.

Note 3: Interfund Transfers

Transfers were as follows:

From	To	Regulatory Authority	Amount
General	At-Risk (K-12) Fund	K.S.A. 72-6478	$ 79,959
General	Special Education Fund	K.S.A. 72-6478	1,211,114
General	Contingency Reserve Fund	K.S.A. 72-6478	200,000
Supplemental General	At-Risk (K-12) Fund	K.S.A. 72-6478	26,697
Supplemental General	Bilingual Fund	K.S.A. 72-6478	27,310
Total Transfers			$ 1,545,080

Note 4: Long-Term Debt

On September 30, 2020, the District issued a lease purchase agreement dated September 3, 2020 with Armed Forces Bank for an amount not to exceed $ 25,600,000 for land and improvements related to the construction of a new Patton Junior High School (the Project).

Quarterly on each March 30, June 30, September 30, and December 30 during the lease term, commencing on December 30, 2020, payments are due in amounts equal to the interest accrued at a 5.60% interest rate on the aggregate principal advanced and outstanding for the Project.

Annually on each June 30 during the lease term, principal will be due in the amount of $4,000,000, commencing on June 30, 2023. All remaining principal, interest and other amounts outstanding under the lease will be due on the final payment date.

Note 4: Long-Term Debt (Continued)

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

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Changes	Balance End of Year	Interest Paid
Capital Lease										
Patton Junior High School	5.60%	9/30/20	$ 25,600,000	7/14/30	$ 24,054,846	$ -	$ 4,000,000	$ (4,000,000)	$ 20,054,846	$ 1,318,280

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

Capital Lease	**2024**	**2025**	**2026**	**2027**	**2028**	**2029-2033**	**Total**
Principal	$4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 54,846	$ 20,054,846
Interest	1,011,071	787,071	563,071	339,071	115,071	1,536	2,816,891
Total	$ 5,011,071	$ 4,787,071	$ 4,563,071	$ 4,339,071	$ 4,115,071	$ 56,382	$ 22,871,737

Note 5: Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.20% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,806,136 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 $16,827,442. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

Note 5: Defined Benefit Pension Plan (Continued)

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 6: Tax Sheltered Annuity and Deferred Compensation Plans

The District participates in a 403(b) tax sheltered annuity plan and a 457(b) deferred compensation plan (the Plans). Employees who are at least 18 years of age and work 630 hours or more annually are eligible to participate in the Plans. There are employee voluntary contributions and rollover contributions allowed under the Plans. Distributions are made upon retirement.

Note 7: Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

Note 8: Death and Disability Other Post-Employment Benefits

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

Note 9: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

Note 10: Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statement of the District as of June 30, 2023.

Note 11: Stewardship, Compliance and Accountability

We noted no violations of Kansas statutes identified during the period under examination.

Note 12: Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through December 11, 2023, which is the date at which the financial statement was available to be issued.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2023

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 9,433,708	$ (271,860)	$ -	$ 9,161,848	$ 9,161,848	$ -
Supplemental General	3,149,309	(80,732)	-	3,068,577	3,068,577	-
Special Purpose Funds						
Capital Outlay Fund	25,000,000	-	-	25,000,000	11,853,387	(13,146,613)
Food Service Fund	1,025,500	-	-	1,025,500	824,264	(201,236)
Special Education Fund	2,890,000	-	-	2,890,000	2,702,823	(187,177)
At-Risk Fund	480,000	-	-	480,000	376,274	(103,726)
Professional Development Fund	375,000	-	-	375,000	77,433	(297,567)
Kansas Parent Education Fund	40,000	-	-	40,000	40,000	-
KPERS Special Retirement Contribution Fund	1,898,092	-	-	1,898,092	1,806,136	(91,956)
Federal Grant Funds (Budgeted)	4,142,508	-	-	4,142,508	2,655,452	(1,487,056)
Bilingual Education Fund	260,000	-	-	260,000	242,789	(17,211)
	$ 48,694,117	$ (352,592)	$ -	$ 48,341,525	$ 32,808,983	$ (15,532,542)

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
General state aid	$ 7,950,734	$ 8,036,408	$ (85,674)
Special education state aid	1,211,110	1,397,300	(186,190)
Total Cash Receipts	$ 9,161,844	$ 9,433,708	$ (271,864)
EXPENDITURES			
Instruction	$ 4,194,750	$ 4,600,379	$ (405,629)
Student support services	506,488	536,400	(29,912)
Instructional support services	1,269	14,800	(13,531)
General administration	551,597	829,050	(277,453)
School administration	702,862	729,210	(26,348)
Central services	599,846	586,665	13,181
Operations and maintenance	1,051,515	535,000	516,515
Transfers out	1,491,073	1,526,204	(35,131)
Other support services	62,448	76,000	(13,552)
Adjustment to comply with legal maximum letter	-	(271,860)	271,860
Total Expenditures	$ 9,161,848	$ 9,161,848	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (4)		
UNENCUMBERED CASH - BEGINNING	-		
Prior year cancellation of encumbrances	172		
UNENCUMBERED CASH - ENDING	$ 168		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Taxes	$ 10,047	$ 5,657	$ 4,390
County Sources			
Taxes	11,590	7,887	3,703
State Sources			
Supplemental state aid	3,041,880	3,121,910	(80,030)
Total Cash Receipts	$ 3,063,517	$ 3,135,454	$ (71,937)
EXPENDITURES			
Instruction	$ 2,673,334	$ 2,633,000	$ 40,334
Instructional support services	225,191	231,500	(6,309)
General administration	10,469	100,000	(89,531)
Central services	105,576	105,700	(124)
Architectural and engineering	-	9,509	(9,509)
Transfers out	54,007	69,600	(15,593)
Adjustment to comply with legal maximum budget	-	(80,732)	80,732
Total Expenditures	$ 3,068,577	$ 3,068,577	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (5,060)		
UNENCUMBERED CASH - BEGINNING	1,595		
UNENCUMBERED CASH - ENDING	$ (3,465)		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Taxes	$ 6,669	$ 8,645	$ (1,976)
Interest income	134,514	50,000	84,514
Other	23,787	10,000,000	(9,976,213)
County Sources			
Taxes	4,089	3,288	801
State Sources			
State aid	33,637	6,869	26,768
Federal Sources			
Federal aid	12,256,027	15,000,000	(2,743,973)
Total Cash Receipts	$ 12,458,723	$ 25,068,802	$ (12,610,079)
EXPENDITURES			
Instruction	$ 163,683	$ 250,000	$ (86,317)
Student support services	-	1,055,000	(1,055,000)
Instructional support services	203,806	170,000	33,806
General administration	-	126,000	(126,000)
Central services	2,354,538	-	2,354,538
Operations and maintenance	2,407,224	2,014,000	393,224
Other support services	9,095	60,000	(50,905)
New building acquisition and construction	1,771,761	11,325,000	(9,553,239)
Debt service	4,943,280	10,000,000	(5,056,720)
Total Expenditures	$ 11,853,387	$ 25,000,000	$ (13,146,613)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 605,336		
UNENCUMBERED CASH- BEGINNING	181,552		
UNENCUMBERED CASH - ENDING	$ 786,888		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Charges for services	$ 455,941	$ 405,650	$ 50,291
State Sources			
State aid	6,986	6,020	966
Federal Sources			
Federal aid	232,987	201,436	31,551
Total Cash Receipts	$ 695,914	$ 613,106	$ 82,808
EXPENDITURES			
Food service operation	$ 824,264	$ 1,025,500	$ (201,236)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (128,350)		
UNENCUMBERED CASH- BEGINNING	521,859		
UNENCUMBERED CASH - ENDING	$ 393,509		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal Sources			
Federal aid	$ 1,466,745	$ 1,325,902	$ 140,843
Other Sources			
Transfers in	1,211,114	1,397,300	(186,186)
Total Cash Receipts	$ 2,677,859	$ 2,723,202	$ (45,343)
EXPENDITURES			
Instruction	$ 2,229,290	$ 2,329,000	$ (99,710)
Instructional support staff	31,276	15,000	16,276
General administration	254,296	258,000	(3,704)
Central services	58,321	94,500	(36,179)
Transportation	129,640	193,500	(63,860)
Total Expenditures	$ 2,702,823	$ 2,890,000	$ (187,177)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (24,964)		
UNENCUMBERED CASH - BEGINNING	534,602		
UNENCUMBERED CASH - ENDING	$ 509,638		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
AT-RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal Sources			
Federal aid	$ 250,000	$ 300,000	$ (50,000)
Other Sources			
Transfers in	106,656	172,050	(65,394)
Total Cash Receipts	$ 356,656	$ 472,050	$ (115,394)
EXPENDITURES			
Instruction	$ 360,769	$ 464,200	$ (103,431)
Central services	15,505	15,800	(295)
Total Expenditures	$ 376,274	$ 480,000	$ (103,726)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (19,618)		
UNENCUMBERED CASH - BEGINNING	415,950		
UNENCUMBERED CASH - ENDING	$ 396,332		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 13,958	$ 12,750	$ 1,208
Federal Sources			
Federal aid	-	350,000	(350,000)
Total Cash Receipts	$ 13,958	$ 362,750	$ (348,792)
EXPENDITURES			
Instructional support services	$ 77,433	$ 375,000	$ (297,567)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (63,475)		
UNENCUMBERED CASH - BEGINNING	461,404		
UNENCUMBERED CASH - ENDING	$ 397,929		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
KANSAS PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal Sources			
Federal aid	$ 40,000	$ 40,000	$ -
EXPENDITURES			
Food service	$ 40,000	$ 40,000	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
KPERS RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State aid	$ 1,806,136	$ 1,898,092	$ (91,956)
EXPENDITURES			
Instruction	$ 1,312,880	$ 1,379,685	$ (66,805)
Student support services	56,171	59,031	(2,860)
Instructional support services	66,827	70,191	(3,364)
General administration	61,770	64,972	(3,202)
School administration	79,289	83,383	(4,094)
Other support services	64,299	67,629	(3,330)
Operations and maintenance	90,126	94,677	(4,551)
Transportation	31,607	33,198	(1,591)
Food service	43,167	45,326	(2,159)
Total Expenditures	$ 1,806,136	$ 1,898,092	$ (91,956)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
FEDERAL FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2023

	Title II-A Teacher Quality	Title I	Section 7007 Construction	TIP Grant	Project Lead the Way	Project PRIME	Project LEADSS	Project ARMIES	Project WIN
RECEIPTS									
Federal Sources									
Federal aid	$ 31,436	$ 33,790	$ 327,706	$ 9,633	$ 277,473	$ -	$ -	$ 388,153	$ 74,384
Local Sources									
Other	-	-	-	-	-	-	-	-	-
Total Receipts	$ 31,436	$ 33,790	$ 327,706	$ 9,633	$ 277,473	$ -	$ -	$ 388,153	$ 74,384
EXPENDITURES									
Instruction	$ 31,436	$ 33,790	$ -	$ 510	$ 35,232	$ -	$ -	$ 60,281	$ 902
Student support staff	-	-	-	1,325	-	-	-	-	-
Instructional support staff	-	-	-	6,736	290,256	-	-	189,444	94,298
Central services	-	-	-	-	2,793	-	-	146,224	-
Operations and maintenance	-	-	-	-	-	-	-	-	-
Architectural services	-	-	-	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-	-	-	-
Debt service	-	-	375,000	-	-	-	-	-	-
Total Expenditures	$ 31,436	$ 33,790	$ 375,000	$ 8,571	$ 328,281	$ -	$ -	$ 395,949	$ 95,200
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -	$ (47,294)	$ 1,062	$ (50,808)	$ -	$ -	$ (7,796)	$ (20,816)
UNENCUMBERED CASH - BEGINNING	-	(1,812)	40,567	(1,062)	(35,617)	(28)	(76)	(15,143)	-
Prior year cancellation of encumbrances	-	184	-	-	-	28	76	-	-
UNENCUMBERED CASH - ENDING	$ -	$ (1,628)	$ (6,727)	$ -	$ (86,425)	$ -	$ -	$ (22,939)	$ (20,816)

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
FEDERAL FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
For the Year Ended June 30, 2023

	Project READ	Transportation and Maintenance	ESSER	Total Actual	Budget	Variance Over (Under)
RECEIPTS						
Federal Sources						
Federal aid	$ -	$ 550,000	$ 890,756	$ 2,583,331	$ 65,136	$ 2,518,195
Local Sources						
Other	-	9,002	-	9,002	3,213,000	(3,203,998)
Total Receipts	$ -	$ 559,002	$ 890,756	$ 2,592,333	$ 3,278,136	$ (685,803)
EXPENDITURES						
Instruction	$ -	$ -	$ 863,224	$ 1,025,375	$ 2,159,058	$ (1,133,683)
Student support staff	-	-	-	1,325	-	1,325
Instructional support staff	-	-	27,532	608,266	619,950	(11,684)
Central services	-	-	-	149,017	252,000	(102,983)
Operations and maintenance	-	116,977	-	116,977	231,000	(114,023)
Architectural services	-	-	-	-	500,000	(500,000)
Student transportation services	-	379,492	-	379,492	380,500	(1,008)
Debt service	-	-	-	375,000	-	375,000
Total Expenditures	$ -	$ 496,469	$ 890,756	$ 2,655,452	$ 4,142,508	$ (1,487,056)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 62,533	$ -	$ (63,119)		
UNENCUMBERED CASH - BEGINNING	(89)	519,919	(3,807)	502,852		
Prior year cancellation of encumbrances	89	-	3,807	4,184		
UNENCUMBERED CASH - ENDING	$ -	$ 582,452	$ -	$ 443,917		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Federal Sources			
Federal aid	$ 200,000	$ 300,000	$ (100,000)
Other Sources			
Transfers in	27,310	26,454	856
Total Cash Receipts	$ 227,310	$ 326,454	$ (99,144)
EXPENDITURES			
Instruction	$ 242,789	$ 260,000	$ (17,211)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (15,479)		
UNENCUMBERED CASH - BEGINNING	312,720		
UNENCUMBERED CASH - ENDING	$ 297,241		

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
TEXTBOOK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023

CASH RECEIPTS	
Federal Sources	
Federal aid	$ 75,000
EXPENDITURES	
Instruction	$ 359,233
RECEIPTS OVER (UNDER) EXPENDITURES	$ (284,233)
UNENCUMBERED CASH - BEGINNING	627,770
UNENCUMBERED CASH - ENDING	$ 343,537

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
DISTRICT CAFÉ FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023

CASH RECEIPTS	
Local sources	$ 26,201
EXPENDITURES	
Central services	$ 26,583
RECEIPTS OVER (UNDER) EXPENDITURES	$ (382)
UNENCUMBERED CASH - BEGINNING	3,754
UNENCUMBERED CASH - ENDING	$ 3,372

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023

CASH RECEIPTS	
Transfers in	$ 200,000
EXPENDITURES	
Other support services	$ 369,444
RECEIPTS OVER (UNDER) EXPENDITURES	$ (169,444)
UNENCUMBERED CASH - BEGINNING	684,640
UNENCUMBERED CASH - ENDING	$ 515,196

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
COLONEL GRISWOLD ENDOWMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023

CASH RECEIPTS		
Local sources	$	50,288
EXPENDITURES		
Student support services	$	6,006
Instructional support staff		26,052
Total Expenditures	$	32,058
RECEIPTS OVER (UNDER) EXPENDITURES	$	18,230
UNENCUMBERED CASH - BEGINNING		49,550
UNENCUMBERED CASH - ENDING	$	67,780

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
NG3D GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023

CASH RECEIPTS	
Local sources	$ -
EXPENDITURES	
Student support services	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -
UNENCUMBERED CASH - BEGINNING	8,962
UNENCUMBERED CASH - ENDING	$ 8,962

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
IMPACT AID 7003 FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023

CASH RECEIPTS	
Federal aid	$ 2,457,987
EXPENDITURES	
Instruction	$ 1,766,185
Instructional support staff	557,274
General administration	100,348
Central services	76,151
Facility acquisition and construction	390
Total Expenditures	$ 2,500,348
RECEIPTS OVER (UNDER) EXPENDITURES	$ (42,361)
UNENCUMBERED CASH - BEGINNING	234,059
UNENCUMBERED CASH - ENDING	$ 191,698

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
STUDENT ORGANIZATION FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2023

	Balance July 1, 2022	Cash Receipts	Cash Disbursements	Balance June 30, 2023
Patton Junior High				
Student Council	$ 2,903	$ 2,112	$ 2,329	$ 2,686
Chief's Hearts	96	32	64	64
Art award	117	-	-	117
National Junior	104	-	146	(42)
School activities	135	3,620	2,856	899
Student activities	2,592	10,209	8,550	4,251
Annual	134	1	-	135
Yearbook	739	3,150	1,288	2,601
TOTAL AGENCY FUNDS	$ 6,820	$ 19,124	$ 15,233	$ 10,711

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Patton Junior High						
Sales tax	$ (6)	$ 1,098	$ 1,098	$ (6)	$ -	$ (6)
Impress fund	750	9,120	9,120	750	-	750
Site-based council	1,800	-	638	1,162	-	1,162
Book fair	381	4,547	3,346	1,582	-	1,582
PSAT AP exams	195	-	56	139	-	139
Patton G/B BB	125	-	-	125	-	125
Odyssey of the Mind	627	7,205	7,832	-	-	-
Subtotal Patton Junior High	$ 3,872	$ 21,970	$ 22,090	$ 3,752	$ -	$ 3,752
						-
Bradley Elementary	10,580	16,151	14,013	12,718	-	12,718
Eisenhower Elementary	4,274	13,428	11,732	5,970	-	5,970
MacArthur Elementary	6,407	17,357	17,637	6,127	-	6,127
Total District Activity Funds	$ 25,133	$ 68,906	$ 65,472	$ 28,567	$ -	$ 28,567

December 11, 2023

Board of Education
Fort Leavenworth USD 207
Fort Leavenworth, Kansas

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 207 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated December 11, 2023.

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 opinions 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

December 11, 2023

Board of Education
Fort Leavenworth USD 207
Fort Leavenworth, Kansas

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance

Unmodified Opinion

We have audited Unified School District No. 207's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Unmodified Opinions

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Auditor's Responsibilities for the Audit of Compliance (continued)
In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

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

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

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

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Number	Pass-Through Entity Identifying Number	Federal Award Expenditures
U.S. Department of Education			
Impact Aid	84.041	N/A	$ 16,437,396
Passed through Kansas Department of Education			
Title I Grants to Local Education Agencies	84.010	DO207	$ 33,790
Special Education Cluster:			
Title VI-B	84.027	DO207	$ 299,214
Title VI-B Preschool	84.173	DO207	16,321
Total Special Education Cluster			$ 315,535
Title II-A Teacher Quality	84.367	DO207	$ 19,461
Title IVA Student Support & Academic Enrichment	84.424	DO207	11,975
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	DO207	890,756
Total Passed Through U.S. Department of Education			$ 1,271,517
Total Department of Education			$ 17,708,913
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	DO207	$ 20,385
Section 4	10.555	DO207	203,716
Special Milk	10.556	DO207	8,513
Subtotal Child Nutrition Cluster			$ 232,614
Total Department of Agriculture			$ 232,614
U.S. Department of Defense			
Support for Student Achievement at Military Connected Schools (Project LTW)	12.556	N/A	$ 328,280
Support for Student Achievement at Military Connected Schools/SPED (Project ARMIES)	12.556	N/A	395,783
Support for Student Achievement at Military Connected Schools/SPED (Project WIN)	12.556	N/A	95,200
Section 7703 of 20 U.S.C.	12.558	N/A	496,470
Total Department of Defense			$ 1,315,733
Total Federal Expenditures			$ 19,257,260

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Note 1: Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the cash basis of accounting, modified to include recognition of accounts payable and encumbrances.

The information in this 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).

Note 2: Non-Cash Assistance, Insurance, and Loans

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2023.

Note 3: Indirect Cost Rate

The District has not elected to use the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414 for reporting costs charged to federal award programs.

FORT LEAVENWORTH USD 207
Fort Leavenworth, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	__ Yes	X None
Reportable conditions identified not considered to be material weaknesses?	__ Yes	X None reported
Noncompliance material to financial statements noted?	__ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	__ Yes	X No
Reportable conditions identified not considered to be material weaknesses?	__ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	__ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number(s)
Impact Aid	84.041
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U
Support for Student Achievement at Military Connected Schools	12.556

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as a low-risk auditee?	__ Yes X No

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.