USD 430 - SOUTH BROWN COUNTY

Horton, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2024

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
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August 19, 2024

Board of Education
USD 430 - South Brown County
Horton, 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 USD 430 - South Brown County (the District), as of and for the year ended June 30, 2024 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, 2024, 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, 2024, 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* (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.

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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.

Certified Public Accountants

Supplementary Information (Continued)
We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2023, (not presented herein), and have issued our report thereon dated September 12, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2024 (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 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 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 2023 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 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2024, on the basis of accounting described in Note 1.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance
Our audit was performed for the purpose of forming an opinion on the regulatory basis financial statement of the District, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit 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), and is not a required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2024, 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 to describe the scope of our testing of 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 Pubic Accountants
Manhattan, Kansas

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	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	$ -	$ -	$ 5,372,847	$ 5,372,847	$ -	$ -	$ -
Supplemental General	132,006	-	1,863,170	1,805,946	189,230	2,855	192,085
Special Purpose Funds							
Budgeted							
At-Risk (Pre-K)	4,863	-	80,000	71,583	13,280	-	13,280
At-Risk (K-12)	-	-	1,049,113	1,045,466	3,647	-	3,647
Bilingual Education	-	-	1,264	1,264	-	-	-
Capital Outlay	555,307	-	344,211	316,840	582,678	25,061	607,739
Driver Training	3,427	-	7,662	9,966	1,123	-	1,123
Food Service	350,556	-	346,434	335,348	361,642	1,312	362,954
Special Education	91,364	-	993,148	993,731	90,781	-	90,781
Vocational Education	54,974	-	300,000	332,095	22,879	648	23,527
KPERS Special Retirement Contribution	-	-	615,414	615,414	-	-	-
Bond and Interest Fund							
Bond and Interest	288,996	-	514,605	278,050	525,551	-	525,551
Non-Budgeted							
Carl Perkins Fund	(3,558)	-	8,917	5,359	-	-	-
Contingency Reserve	454,513	-	-	-	454,513	-	454,513
Textbook Rental	47,634	-	20,724	16,629	51,729	27	51,756
Title I - Low Income	-	-	195,103	195,103	-	-	-
Title II-A Improve Teacher Quality	-	-	30,677	30,677	-	-	-
Title IVA	-	-	19,038	19,038	-	2,935	2,935
Title VI	-	-	18,663	18,663	-	-	-
P.L. 81-874	4,571	-	248,701	158,397	94,875	-	94,875
Johnson O'Malley	4,108	-	1,681	5,789	-	-	-
ESSER III	(56,913)	-	366,957	371,192	(61,148)	17,941	(43,207)
SRSA	-	-	12,387	12,387	-	-	-
Trust Fund	6,893	-	123,122	102,858	27,157	-	27,157
Bond Construction	466,881	-	-	6,060	460,821	-	460,821
JOM	-	-	14,163	7,123	7,040	-	7,040
EMINTS	-	-	1,380	1,380	-	-	-
KDHE	(177,994)	-	177,994	-	-	-	-
District activity funds	72,139	-	183,902	191,961	64,080	-	64,080
Total Reporting Entity (Excluding Agency Funds)	$ 2,299,767	$ -	$ 12,911,277	$ 12,321,166	$ 2,889,878	$ 50,779	$ 2,940,657

Composition of Cash	
Bank deposits - Non-interest bearing	$ 1,996,822
Bank deposits - Interest bearing	1,000,000
Total Cash	$ 2,996,822
Less: Agency funds per Schedule 3	(56,165)
Total Reporting Entity (Excluding Agency Funds)	$ 2,940,657

STATEMENT 1

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

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2024

Note 1: Summary of Significant Accounting Policies

USD 430 South Brown County (the District), is a municipal corporation governed by an elected seven member Board. The financial statement includes the District only.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District could have the following types of funds:

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

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

Bond and Interest Fund -- used to account for the accumulation of resources, including tax levies, and payment of general long-term debt.

Trust Fund -- funds used to report assets held in trust for the benefit of the District financial reporting entity.

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 State 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.

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: 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 notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

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.

Adjustment to Comply with Legal Max - Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

Adjustment for Qualifying Budget Credits - Districts may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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:

Carl Perkins Grant	Title VI	Trust
Contingency Reserve	P.L. 81-874	JOM
Textbook Rental	Johnson O'Malley	KDHE
Title I - Low Income	ESSER III	Bond Construction
Title II-A Improve Teacher Quality	SRSA	
Title IVA	EMINTS	

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 3: Deposits and Investments

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, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2024.

At June 30, 2024, the carrying amount of the District's cash and certificates was $2,996,822. The bank balance was $3,875,350. The difference between carrying amount and bank balance is outstanding checks and deposits. The bank balance was held by three banks resulting in a concentration of deposit risk. Of the bank balance, $596,705 was secured by FDIC insurance and the remaining $3,278,645 was collateralized by bank pledged securities with a fair market value of $4,618,721.

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 4: Interfund Transfers

The District made the following operating transfers during the year. The transfers were approved by the Board of Education.

Fund From	Fund To	Statutory Authority	Amount
General	Special Education	K.S.A. 72-5167	$ 654,196
General	At Risk (K-12)	K.S.A. 72-5167	821,203
Supplemental	Driver Training	K.S.A. 72-5143	1,898
Supplemental	Bilingual Education	K.S.A. 72-5143	1,264
Supplemental	At Risk (Pre-K)	K.S.A. 72-5143	80,000
Supplemental	Special Education	K.S.A. 72-5143	300,000
Supplemental	Vocational Education	K.S.A. 72-5143	300,000
Supplemental	At Risk (K-12)	K.S.A. 72-5143	227,910
Total Transfers			$ 2,386,471

Note 5: Other Long-Term Obligations from Operations

Other Post Employment Benefits

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

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

Compensated Absences & Termination Benefits

No payment is made for unused vacation or sick time upon employee retirement or termination.

The District will cover for eligible retirees the cost of the retiree's health premiums under the District's health insurance policy. Payments for retired employees under this plan were $39,188 for the year ended June 30, 2024.

Note 6: Pension Plans

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 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School -Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School- Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

Note 6: Pension Plans (Continued)

Defined Benefit Pension Plan (Continued)

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 paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

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 $615,414 for the year ended June 30, 2024.

Net Pension Liability: At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $5,858,216. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. 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, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 7: 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 effect on the financial statement of the District at June 30, 2024.

Note 8: Subsequent Events

The District evaluated subsequent events through August 19, 2024, the date the financial statement was available to be issued.

Note 9: Stewardship, Compliance and Accountability

Funds with a Deficit Unencumbered Cash Balance - Generally, districts are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A. 12-1664 provides an exception for those funds which are to be financed by Federal government sources. This exception allows these funds to expend in excess of currently available resources with the expectation that the District will be reimbursed for qualifying grant expenditures.

The following funds had a deficit balance of unencumbered cash as of June 30, 2024: ESSER III. This fund is financed by State and Federal funding and the District is expecting reimbursement of qualifying grant expenditures.

Note 10: Long-Term Debt

Changes in long-term liabilities for the District for the year 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
General Obligation Bonds										
Series 2022	2-4%	1/27/22	$ 7,000,000	9/1/42	$ 7,000,000	$ -	$ 100,000	$ (100,000)	$ 6,900,000	$ 178,050

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

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	Total
Principal									
General Obligation - Bonds									
Series 2022	$ 270,000	$ 280,000	$ 290,000	$ 305,000	$ 315,000	$ 1,740,000	$ 1,950,000	$ 1,750,000	$ 6,900,000
Interest									
General Obligation - Bonds									
Series 2022	$ 170,650	$ 159,650	$ 148,250	$ 136,350	$ 123,950	$ 473,250	$ 285,750	$ 77,963	$ 1,575,813
TOTAL PRINCIPAL AND INTEREST	$ 440,650	$ 439,650	$ 438,250	$ 441,350	$ 438,950	$ 2,213,250	$ 2,235,750	$ 1,827,963	$ 8,475,813

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2024

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	$ 5,788,618	$ (416,199)	$ 428	$ 5,372,847	$ 5,372,847	$ -
Supplemental General	1,892,495	(86,549)	-	1,805,946	1,805,946	-
Special Purpose Funds						
At-Risk (Pre-K)	89,863	-	-	89,863	71,583	(18,280)
At-Risk (K-12)	1,257,185	-	-	1,257,185	1,045,466	(211,719)
Bilingual	3,217	-	-	3,217	1,264	(1,953)
Capital Outlay	871,958	-	-	871,958	316,840	(555,118)
Driver Training	16,177	-	-	16,177	9,966	(6,211)
Food Service	693,213	-	-	693,213	335,348	(357,865)
Special Education	1,153,364	-	-	1,153,364	-	(1,153,364)
Vocational Education	354,974	-	-	354,974	332,095	(22,879)
KPERS Special Retirement Contribution	683,011	-	-	683,011	615,414	(67,597)
Bond and Interest Fund						
Bond and Interest	278,050	-	-	278,050	-	(278,050)
Total of all Funds	$ 13,082,125	$ (502,748)	$ 428	$ 12,579,805	$ 9,906,769	$ (2,673,036)

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
State Sources				
General state aid	$ 4,544,759	$ 4,818,223	$ 5,088,618	$ (270,395)
Special education aid	561,956	554,196	700,000	(145,804)
	-	428	-	428
Total Cash Receipts	$ 5,106,715	$ 5,372,847	$ 5,788,618	$ (415,771)
EXPENDITURES				
Instruction	$ 1,428,881	$ 2,172,395	$ 2,177,863	$ (5,468)
Student support services	234,913	228,051	262,800	(34,749)
Instructional support staff	230,613	166,846	234,126	(67,280)
General administration	316,811	323,988	324,800	(812)
School administration	498,477	470,208	502,400	(32,192)
Operations and maintenance	184,919	316,171	313,562	2,609
Student transportation	217,818	219,789	221,960	(2,171)
Transfers to other funds	1,994,283	1,475,399	1,751,107	(275,708)
Adjustments for budget credit	-	-	428	(428)
Adjustment to comply with legal maximum	-	-	(416,199)	416,199
Total Expenditures	$ 5,106,715	$ 5,372,847	$ 5,372,847	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 923,922	$ 1,030,240	$ 25,268	$ 1,004,972
Delinquent taxes	18,035	25,090	14,250	10,840
County Sources				
Motor vehicle taxes	52,973	54,970	73,418	(18,448)
Recreational vehicle taxes	1,685	1,444	2,082	(638)
Commercial vehicle taxes	3,215	3,042	3,454	(412)
State Sources				
Supplemental state aid	698,273	748,384	784,250	(35,866)
Total Cash Receipts	$ 1,698,103	$ 1,863,170	$ 902,722	$ 960,448
EXPENDITURES				
Instruction	$ 111,699	$ 269,360	$ 297,765	$ (28,405)
Student support services	4,053	2,248	4,050	(1,802)
Instructional support staff	11,334	9,550	12,500	(2,950)
General administration	154,279	216,349	186,500	29,849
School administration	9,552	7,891	9,600	(1,709)
Operations and maintenance	302,092	284,844	308,685	(23,841)
Student transportation	126,875	104,632	112,100	(7,468)
Transfers to other funds	965,462	911,072	961,295	(50,223)
Adjustment to comply with legal maximum	-	-	(86,549)	86,549
Total Expenditures	$ 1,685,346	$ 1,805,946	$ 1,805,946	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 12,757	$ 57,224		
UNENCUMBERED CASH - BEGINNING	119,249	132,006		
UNENCUMBERED CASH - ENDING	$ 132,006	$ 189,230		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
AT RISK (PRE-K) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 60,000	$ 80,000	$ 85,000	$ (5,000)
EXPENDITURES				
Instruction	55,333	71,583	$ 89,863	$ (18,280)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4,667	$ 8,417		
UNENCUMBERED CASH - BEGINNING	196	4,863		
UNENCUMBERED CASH - ENDING	$ 4,863	$ 13,280		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 1,634,092	$ 1,049,113	$ 1,257,185	$ (208,072)
EXPENDITURES				
Instruction	$ 1,634,092	$ 1,045,466	$ 1,257,185	$ (211,719)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 3,647		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ 3,647		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 2,697	$ 1,264	$ 3,217	$ (1,953)
EXPENDITURES				
Instruction	$ 2,697	$ 1,264	$ 3,217	$ (1,953)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
CAPITAL OUTLAY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 131,319	$ 134,923	$ 117,674	$ 17,249
Delinquent taxes	2,577	3,612	2,022	1,590
Interest on idle funds	68,046	104,589	60,000	44,589
Other	63,599	39,416	40,000	(584)
County Sources				
Motor vehicle taxes	8,517	8,171	10,422	(2,251)
Recreational vehicle taxes	254	204	296	(92)
Commercial vehicle taxes	-	-	490	(490)
State Sources				
State aid	44,132	53,296	53,557	(261)
Total Cash Receipts	$ 318,444	$ 344,211	$ 284,461	$ 59,750
EXPENDITURES				
Instruction	$ 908	$ 7,968	$ 50,000	$ (42,032)
Student support services	38,683	12,214	50,000	(37,786)
Instructional support staff	-	-	-	-
School administration	800.00	-	50,000	(50,000)
Operations and maintenance	219,571	91,008	295,274	(204,266)
Student transportation	111,835	134,317	100,000	34,317
Other support services	-	50,122	-	50,122
Facility acquisition and construction	31,447	21,211	326,684	(305,473)
Total Expenditures	$ 403,244	$ 316,840	$ 871,958	$ (555,118)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (84,800)	$ 27,371		
UNENCUMBERED CASH - BEGINNING	640,107	555,307		
UNENCUMBERED CASH - ENDING	$ 555,307	$ 582,678		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 3,151	$ 3,734	$ 4,375	$ (641)
State Sources				
State safety aid	3,360	2,030	3,375	(1,345)
Other Sources				
Transfers from other funds	1,000	1,898	5,000	(3,102)
Total Cash Receipts	$ 7,511	$ 7,662	$ 12,750	$ (5,088)
EXPENDITURES				
Instruction	$ 5,639	$ 7,761	$ 13,177	$ (5,416)
Operations and maintenance	1,383	2,205	3,000	(795)
Total Expenditures	$ 7,022	$ 9,966	$ 16,177	$ (6,211)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 489	$ (2,304)		
UNENCUMBERED CASH - BEGINNING	2,938	3,427		
UNENCUMBERED CASH - ENDING	$ 3,427	$ 1,123		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Food service sales	$ 96,082	$ 78,683	$ 73,455	$ 5,228
State Sources				
School food assistance	2,865	2,746	2,203	543
Federal Sources				
Child nutrition programs	318,298	265,005	266,999	(1,994)
Total Cash Receipts	$ 417,245	$ 346,434	$ 342,657	$ 3,777
EXPENDITURES				
Food service	$ 314,515	$ 335,348	$ 693,213	$ (357,865)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 102,730	$ 11,086		
UNENCUMBERED CASH - BEGINNING	247,826	350,556		
UNENCUMBERED CASH - ENDING	$ 350,556	$ 361,642		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Federal Sources				
Federal Aid	$ 1,020	$ 38,952	$ -	$ 38,952
Other Sources				
Transfers from other funds	961,956	954,196	1,062,000	(107,804)
Total Cash Receipts	$ 962,976	$ 993,148	$ 1,062,000	$ (68,852)
EXPENDITURES				
Instruction	$ 980,273	$ 993,731	$ 1,153,364	$ (159,633)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (17,297)	$ (583)		
UNENCUMBERED CASH - BEGINNING	108,661	91,364		
UNENCUMBERED CASH - ENDING	$ 91,364	$ 90,781		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
VOCATIONAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 300,000	$ 300,000	$ 300,000	$ -
EXPENDITURES				
Instruction	$ 314,077	$ 332,095	$ 344,974	$ (12,879)
Student transportation	-	-	10,000	(10,000)
Total Expenditures	$ 314,077	$ 332,095	$ 354,974	$ (22,879)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (14,077)	$ (32,095)		
UNENCUMBERED CASH - BEGINNING	69,051	54,974		
UNENCUMBERED CASH - ENDING	$ 54,974	$ 22,879		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
State Sources				
State Aid	$ 632,418	$ 615,414	$ 683,011	$ (67,597)
EXPENDITURES				
Instruction	$ 407,909	$ 396,942	$ 440,542	$ (43,600)
Student support services	35,415	34,463	38,249	(3,786)
Instructional support staff	34,784	33,849	37,566	(3,717)
General administration	22,135	21,539	23,905	(2,366)
School administration	55,020	53,541	59,422	(5,881)
Operations and maintenance	35,415	34,463	38,249	(3,786)
Student transportation	21,503	20,924	23,222	(2,298)
Food service	20,237	19,693	21,856	(2,163)
Total Expenditures	$ 632,418	$ 615,414	$ 683,011	$ (67,597)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 460,730	$ 491,341	$ 435,914	$ 55,427
Delinquent tax	16,162	14,954	7,417	7,537
County Sources				
Motor vehicle taxes	-	8,294	9,661	(1,367)
Recreational vehicle taxes	-	16	274	(258)
Commercial vehicle taxes	-	-	455	(455)
Total Cash Receipts	$ 476,892	$ 514,605	$ 453,721	$ 60,884
EXPENDITURES				
Interest	$ 197,055	$ 278,050	$ 178,050	$ 100,000
Bond fees	-	-	100,000	(100,000)
Total Expenditures	$ 197,055	$ 278,050	$ 278,050	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 279,837	$ 236,555		
UNENCUMBERED CASH - BEGINNING	9,159	288,996		
UNENCUMBERED CASH - ENDING	$ 288,996	$ 525,551		

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2024

	Carl Perkins Grant	Contingency Reserve	Textbook Rental	Title I Low Income	Title II-A Improve Teacher Quality	Title IVA
RECEIPTS						
Local Sources						
Student activities	$ -	$ -	$ 7,951	$ -	$ -	$ -
Other	8,917	-	12,773	-	-	-
Federal Sources						
Federal Aid	-	-	-	195,103	30,677	19,038
Total Receipts	$ 8,917	$ -	$ 20,724	$ 195,103	$ 30,677	$ 19,038
EXPENDITURES						
Instruction	$ 5,359	$ -	$ 6,642	$ 194,846	$ 30,677	$ 19,038
Support						
Student support services	-	-	-	257	-	-
Instructional support staff	-	-	9,987	-	-	-
Total Expenditures	$ 5,359	$ -	$ 16,629	$ 195,103	$ 30,677	$ 19,038
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,558	$ -	$ 4,095	$ -	$ -	$ -
UNENCUMBERED CASH - BEGINNING	(3,558)	454,513	47,634	-	-	-
UNENCUMBERED CASH - ENDING	$ -	$ 454,513	$ 51,729	$ -	$ -	$ -

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2024

	Title VI	P.L. 81-874	Johnson O'Malley	ESSER III	SRSA	Trust
RECEIPTS						
Local Sources						
Other	$ -	$ -	$ -	$ -	$ -	$ 123,122
State Sources						
State aid	18,663	-	-	-	12,387	-
Federal Sources						
Federal Aid	-	248,701	1,681	366,957	-	-
Total Receipts	$ 18,663	$ 248,701	$ 1,681	$ 366,957	$ 12,387	$ 123,122
EXPENDITURES						
Instruction	$ 18,663	$ 5,191	$ 4,399	127,266	$ 12,387	$ 11,515
Support						
Student support services	-	71,885	1,390	8,146	-	91,343
General administration	-	-	-	192,355	-	-
Operations and maintenance	-	11,381	-	26,516	-	-
Student transportation	-	-	-	788	-	-
Instructional support staff	-	69,940		16,121		
Total Expenditures	$ 18,663	$ 158,397	$ 5,789	$ 371,192	$ 12,387	$ 102,858
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 90,304	$ (4,108)	$ (4,235)	$ -	$ 20,264
UNENCUMBERED CASH - BEGINNING	-	4,571	4,108	(56,913)	-	6,893
UNENCUMBERED CASH - ENDING	$ -	$ 94,875	$ -	$ (61,148)	$ -	$ 27,157

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2024

	Bond Construction	JOM	EMINTS	KDHE
RECEIPTS				
Grant Sources				
Grants	$ -	$ -	$ 1,380	$ 177,994
Federal Sources				
Federal Aid	-	14,163	-	-
Total Receipts	$ -	$ 14,163	$ 1,380	$ 177,994
EXPENDITURES				
Instruction	$ -	$ 7,123	$ -	$ -
Support				
General administration	-	-	1,380	-
Construction	6,060	-	-	-
Total Expenditures	$ 6,060	$ 7,123	$ 1,380	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (6,060)	$ 7,040	$ -	$ 177,994
UNENCUMBERED CASH - BEGINNING	466,881	-	-	(177,994)
UNENCUMBERED CASH - ENDING	$ 460,821	$ 7,040	$ -	$ -

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2024

	Balance July 1, 2023	Cash Receipts	Cash Disbursements	Balance June 30, 2024
Student Organization Funds				
Middle School Funds				
Everest Middle School	$ 130	$ 19,379	$ 11,260	$ 8,249
High School Funds				
Horton High School	43,893	92,222	92,442	43,673
Other				
Elementary School Funds				
Sales tax	(170)	170	-	-
Middle School Funds				
Sales tax	2,663	1,353	1,934	2,082
High School Funds				
Sales tax	1,448	713	-	2,161
Total Agency Funds	$ 47,964	$ 113,837	$ 105,636	$ 56,165

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	Balance July 1, 2023	Cash Receipts	Expenditures	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Balance June 30, 2024
Gate Receipts						
Everest Middle School						
Athletic	$ 5,346	$ 7,523	$ 10,496	$ 2,373	$ -	$ 2,373
Horton High School						
Athletic	5,371	25,827	29,317	1,881	-	1,881
Total Gate Receipts	$ 10,717	$ 33,350	$ 39,813	$ 4,254	$ -	$ 4,254
School Projects						
Horton Elementary School	$ 21,122	$ 11,203	$ 13,171	$ 19,154	$ -	$ 19,154
Everest Middle School	13,831	27,208	24,076	16,963	-	16,963
Horton High School	26,469	112,141	114,901	23,709	-	23,709
Total School Projects	$ 61,422	$ 150,552	$ 152,148	$ 59,826	$ -	$ 59,826
Total District Activity Funds	$ 72,139	$ 183,902	$ 191,961	$ 64,080	$ -	$ 64,080

August 19, 2024

Board of Education
USD 430 - South Brown County
Horton, 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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of USD 430 - South Brown County (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated August 19, 2024.

Internal Control over Financial Reporting

In planning and performing our audit, 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the 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.

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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

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 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

August 19, 2024

Board of Education
USD 430 - South Brown County
Horton, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With The Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the compliance of USD 430 - South Brown County (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, 2024. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

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 for the year ended June 30, 2023.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* 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, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This 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. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

	Assistance Listing Number		Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Department of Agriculture					
Passed through Kansas Department of Education					
Child Nutrition Cluster					
School Breakfast	10.553		D0430	$ 64,230	$ -
National School Lunch Program	10.555		D0430	174,561	-
Summer Food Service Program for Children	10.559		D0430	23,488	-
Total Child Nutrition Cluster				$ 262,279	$ -
Local Food for Schools	10.185		D0430	$ 4,464	$ -
Meal Costs	10.558		D0430	2,726	-
Total U.S. Department of Agriculture				$ 269,469	$ -
U.S. Department of Education					
Passed through Kansas Department of Education					
Title I	84.010		D0430	$ 195,103	$ -
Career and Technical Education	84.048A		D0430	1,611	-
Small, Rural School Achievement Program	84.358A		D0430	12,387	-
Title IIA Fund	84.367		D0430	30,677	-
Student Support & Academic Enrichment	84.424A		D0430	19,038	-
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	*	D0430	371,192	-
Passed through University of Missouri					
Supporting Effective Educator Development	84.023A		C00063283-41	1,380	-
Total U.S. Department of Education				$ 631,388	$ -
U.S. Department of the Interior					
Indian Education Assistance to Schools	15.130		N/A	$ 31,575	$ -
U.S. Department of Defense					
Impact Aid	84.041	*	N/A	$ 158,397	$ -
TOTAL FEDERAL ASSISTANCE				$ 1,090,829	$ -

* Major Program

NOTE 1: BASIS OF PRESENTATION

This schedule is prepared on a basis of accounting that demonstrates compliance with the regulatory basis. Cash receipts are recognized when the cash balance of a fund is increased. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, 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: INDIRECT COST RATE

The District does not allocate indirect costs to its federal award program. Accordingly, use of the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414, is not applicable.

NOTE 3: NON-CASH ASSISTANCE, INSURANCE, AND LOANS

The District did not receive or expend any federal awards in the form of non-cash assistance, insurance, loans or loan guarantees, including interest subsidies during the year ended June 30, 2024.

USD 430 - SOUTH BROWN COUNTY
Horton, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Significant deficiencies 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
Significant deficiencies 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	Assistance Number
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U
Impact Aid	84.041

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 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

No matters were reported.