UNIFIED SCHOOL DISTRICT NO. 362

LaCygne, Kansas

Financial Statements

For the Year Ended June 30, 2023

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UNIFIED SCHOOL DISTRICT NO. 362
Financial Statements
For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 362
LaCygne, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 362, LaCygne, Kansas (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statement.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

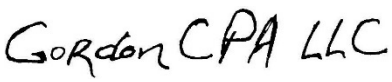
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedules of regulatory basis receipts and disbursements-related municipal entity, and the summary of receipts and disbursements-agency (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards,* we have also issued our report dated February 19, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters
Other Matter
The 2022 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2023 (Schedule 2 as listed in the table of contents), is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated January 12, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2022, on the basis of accounting described in Note 1.



Certified Public Accountant
Lawrence, Kansas

February 19, 2024

UNIFIED SCHOOL DISTRICT NO. 362
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General Fund	$ -	$ -	$ 8,894,896	$ 8,894,896	$ -	$ 37,985	$ 37,985
Supplemental General	311,300	-	2,954,242	2,889,943	375,599	7,526	383,125
Special Purpose Funds:							
At Risk (Pre-K)	-	-	58,152	58,152	-	706	706
At Risk (K-12)	219	-	1,375,526	1,374,638	1,107	14,220	15,327
Capital Outlay	915,552	-	2,164,187	2,002,122	1,077,617	-	1,077,617
Driver Training	7,893	-	16,086	10,526	13,453	-	13,453
Food Service	226,031	-	542,179	566,302	201,908	2,950	204,858
Professional Development	-	-	23,911	23,333	578	-	578
Bilingual Education	-	-	2,791	2,214	577	[7]	570
Virtual Education	-	-	33,600	33,600	-	-	-
Special Education	147,264	-	2,629,055	2,498,420	277,899	947	278,846
Vocational Education	-	-	449,470	448,161	1,309	3,681	4,990
Federal	[267,713]	-	784,359	738,369	[221,723]	1,668	[220,055]
Textbook Rental	3,465	-	27,323	4,837	25,951	-	25,951
KPERS	-	-	1,141,279	1,141,279	-	-	-
Contingency Reserve	1,250,293	-	-	-	1,250,293	-	1,250,293
Gifts and Grants	89,557	-	60,195	116,656	33,096	21	33,117
District Activity	69,208	-	406,840	409,997	66,051	-	66,051
Bond Construction	740,541	-	687	741,228	-	-	-
Bond and Interest Fund:							
Bond and Interest	2,304,815	-	1,351,717	1,096,382	2,560,150	-	2,560,150
Trust Funds:							
Private Purpose Trusts	29,007	-	-	110	28,897	-	28,897
Total (Excluding agency funds)	$ 5,827,432	$ -	$ 22,916,495	$ 23,051,165	$ 5,692,762	$ 69,697	$ 5,762,459

Composition of Cash:	
Labette Bank	
Checking Accounts	$ 4,029,730
Certificates of Deposit	145,000
Total Labette Bank	4,174,730
First Option Bank	
Checking Accounts	1,083,197
Certificates of Deposit	547,360
Total First Option Bank	1,630,557
Total Cash	5,805,287
Less: Agency Funds per Schedule 3	[42,828]
Total Reporting Entity (excluding Agency Funds)	$ 5,762,459

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

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 362 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of $216,517 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

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

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

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

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

Trust Fund - funds used to report assets held in trusts for the benefit of the municipal financial reporting entity (i.e. permanent trust funds, etc.).

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2023 was not amended.

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, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, agency funds, trust funds, and the following special purpose funds: Textbook Rental, Contingency Reserve, Bond Construction and District Activity.

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

NOTE 2 - Deposits and Investments

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

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

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.

NOTE 2 - Deposits and Investments (Continued)

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured at June 30, 2023.

As of June 30, 2023, the District's carrying amount of deposits was $5,805,287 and the bank balance was $6,480,476. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and the balance of $5,980,476 was collateralized with letters of credit or securities held by the pledging financial institutions' agents in the District's name.

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

NOTE 3 - Interfund Transactions

Transfers were as follows:

From	To	Regulatory Authority	Amount
General	Bilingual Education	K.S.A. 72-5167	$ 2,214
General	Virtual Education	K.S.A. 72-5167	33,600
General	Special Education	K.S.A. 72-5167	2,608,979
General	Professional Development	K.S.A. 72-5167	23,333
General	At Risk (Pre-K)	K.S.A. 72-5167	58,152
Supplemental General	Special Education	K.S.A. 72-5143	20,077
Supplemental General	Bilingual Education	K.S.A. 72-5143	577
Supplemental General	Food Service	K.S.A. 72-5143	378,305
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	1,202,563
Total			$4,327,800

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District's long-term debt outstanding as of June 30, 2023:

Debt Issue	Date Issued	Maturity Date	Interest Rates	Original Amount	Balance June 30, 2023
G.O. Bonds					
2013 Refunding Bonds	5/30/2013	9/1/2025	2.00 to 3.00%	$ 8,375,000	$ 2,075,000
2020 Refunding Bonds	12/3/2020	9/1/2035	3.00%	7,500,000	7,500,000
				$15,875,000	$ 9,575,000

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14 percent of the assessed value of all tangible taxable property within the District. At June 30, 2023, the statutory debt limit for the District was $35,791,358, providing a debt margin of $26,216,358.

NOTE 4 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended June 30, 2023:

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
G.O. Bonds To Be Paid With:					
Tax Levies					
2013 Refunding & Improvement Bonds	$ 2,890,000	$ -	$ 815,000	$ 2,075,000	$ 56,381
2020 Refunding & Improvement Bonds	7,500,000	-	-	7,500,000	225,000
Total	$10,390,000	$ -	$ 815,000	$ 9,575,000	$ 281,381

Annual debt service requirements to maturity for the above long-term debt:

Year Ending June 30,	Principal	Interest	Total
2024	$ 840,000	$ 263,782	$ 1,103,782
2025	855,000	244,179	1,099,179
2026	615,000	225,988	840,988
2027	635,000	208,425	843,425
2028	655,000	189,075	844,075
2029 - 2033	3,565,000	635,325	4,200,325
2034 - 2036	2,410,000	109,800	2,519,800
	$ 9,575,000	$1,876,574	$11,451,574

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

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

NOTE 5 - Defined Benefit Pension Plan (Continued)

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 an 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 fundings for the KPERS School Group in fiscal year 2020 of $51 million.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal Years 2022 and 2023. Fiscal Year 2022 was recertified from 14.09% to 13.33% and Fiscal Year 2023 from 13.86% to 13.11%. The bond proceeds were received by KPERS on August 26, 2021. The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million pays off the outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019, discussed previously, while the remaining $871.1 million is applied to the KPERS School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred to KPERS. In Fiscal Year 2023, Senate Bill 421 authorizes two additional transfers which total $271 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,141,279 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 $10,556,272. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 6 - Compensated Absences

The District gives each employee two (2) days of leave time per semester, to be used for personal leave or for attending funerals. At the end of each school year unused personal days will be cashed-out at a rate of $50 per day, unless the teacher elects to convert all or some of the unused personal time into accumulated sick leave. The District also gives each employee 10 days sick leave per year. This can be carried forward and accumulated to a maximum of 72 days. Upon retirement from employment, the District will pay $50 per day of accrued sick leave to a maximum of 72 days to any employee eligible for retirement. As of June 30, 2023, the liability for accrued sick leave pay was $38,013.

NOTE 7 - 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 disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2023.

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 9 - 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 this financial statement.

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

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 10 - Related Party Transactions

During the year ended June 30, 2023, the District paid $204,599 for insurance services. The spouse of a board member has a business interest in the insurance agency directing insurance coverage for the District. The District's policy is to bid out the services to local agencies and the board member abstains from the vote to award insurance services.

A board member is the branch manager at a banking institution that holds a portion of the District's cash deposits. In addition, another board member is a loan officer at a banking institution that holds a portion of the District's cash deposits.

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Schedule 1

UNIFIED SCHOOL DISTRICT NO. 362
Summary of Expenditures - Actual and Budget
Regulatory Basis
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 Budget	Variance Over [Under]
Governmental Type Funds:						
General Funds:						
General Fund	$ 8,952,718	$ [274,339]	$ 216,517	$ 8,894,896	$ 8,894,896	$ -
Supplemental General	2,963,261	[79,050]	5,732	2,889,943	2,889,943	-
Special Purpose Funds:						
At Risk (Pre-K)	105,000	-	-	105,000	58,152	[46,848]
At Risk (K-12)	1,604,283	-	-	1,604,283	1,374,638	[229,645]
Capital Outlay	3,272,958	-	-	3,272,958	2,002,122	[1,270,836]
Driver Training	29,642	-	-	29,642	10,526	[19,116]
Food Service	785,803	-	-	785,803	566,302	[219,501]
Professional Development	25,000	-	-	25,000	23,333	[1,667]
Bilingual Education	12,000	-	-	12,000	2,214	[9,786]
Virtual Education	70,000	-	-	70,000	33,600	[36,400]
Special Education	3,117,131	-	-	3,117,131	2,498,420	[618,711]
Vocational Education	536,275	-	-	536,275	448,161	[88,114]
Federal	854,475	-	-	854,475	738,369	[116,106]
KPERS	1,260,451	-	-	1,260,451	1,141,279	[119,172]
Gifts and Grants	239,344	-	-	239,344	116,656	[122,688]
Bond and Interest Funds:						
Bond and Interest	1,096,382	-	-	1,096,382	1,096,382	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Mineral production taxes	$ 108	$ 796	$ -	$ 796
State Aid:				
Equalization aid	6,560,057	7,011,811	7,168,236	[156,425]
Special education aid	1,609,070	1,665,772	1,784,482	[118,710]
Reimbursements	224,366	216,517	-	216,517
Total Receipts	8,393,601	8,894,896	$ 8,952,718	$ [57,822]
Expenditures				
Instruction	3,038,464	3,582,797	$ 3,371,639	$ 211,158
Student support services	313,123	319,626	369,900	[50,274]
Instructional support services	188,441	179,616	189,863	[10,247]
General administration	521,262	570,866	552,025	18,841
School administration	724,538	725,634	726,500	[866]
Central services	218,626	119,687	158,845	[39,158]
Transportation	688,278	670,392	645,400	24,992
Transfers out	2,700,869	2,726,278	2,938,546	[212,268]
Adjustment for qualifying budget credits	-	-	216,517	[216,517]
Adjustment to comply with legal max budget	-	-	[274,339]	274,339
Total Expenditures	8,393,601	8,894,896	$ 8,894,896	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 362
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 2,480,816	$ 2,814,940	$ 2,872,231	$ [57,291]
Delinquent ad valorem taxes	19,453	22,488	18,106	4,382
Motor vehicle taxes	105,394	101,621	117,140	[15,519]
Recreational vehicle taxes	4,413	4,429	4,472	[43]
Commercial vehicle taxes	4,476	5,032	4,660	372
Reimbursements	-	5,732	-	5,732
Total Receipts	2,614,552	2,954,242	$ 3,016,609	$ [62,367]
Expenditures				
Instruction	373,508	98,857	$ 229,500	$ [130,643]
Student support services	102,531	96,912	125,000	[28,088]
General administration	-	-	3,000	[3,000]
School administration	2,849	-	-	-
Operations and maintenance	794,310	1,092,652	1,303,761	[211,109]
Transfers out	1,429,328	1,601,522	1,302,000	299,522
Adjustment for qualifying budget credits	-	-	5,732	[5,732]
Adjustment to comply with legal max budget	-	-	[79,050]	79,050
Total Expenditures	2,702,526	2,889,943	$ 2,889,943	$ -
Receipts Over [Under] Expenditures	[87,974]	64,299		
Unencumbered Cash, Beginning	399,274	311,300		
Unencumbered Cash, Ending	$ 311,300	$ 375,599		

UNIFIED SCHOOL DISTRICT NO. 362
At Risk (Pre-K) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 37,648	$ 58,152	$ 105,000	$ [46,848]
Total Receipts	37,648	58,152	$ 105,000	$ [46,848]
Expenditures				
Instruction	37,648	58,152	$ 105,000	$ [46,848]
Total Expenditures	37,648	58,152	$ 105,000	$ [46,848]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 362
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Miscellaneous	$ 3,588	$ 6,015	$ 125,000	$ [118,985]
Transfer in	1,467,646	1,202,563	1,179,064	23,499
Interest	10,491	60,112	300,000	[239,888]
Reimbursements	35,073	106,836	-	106,836
Total Receipts	1,516,798	1,375,526	$ 1,604,064	$ [228,538]
Expenditures				
Instruction	1,516,579	1,374,638	$ 1,604,283	$ [229,645]
Total Expenditures	1,516,579	1,374,638	$ 1,604,283	$ [229,645]
Receipts Over [Under] Expenditures	219	888		
Unencumbered Cash, Beginning	-	219		
Unencumbered Cash, Ending	$ 219	$ 1,107		

UNIFIED SCHOOL DISTRICT NO. 362
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 1,777,363	$ 2,023,597	$ 1,870,815	$ 152,782
Delinquent ad valorem taxes	13,057	15,664	12,980	2,684
Motor vehicle taxes	73,186	71,167	81,275	[10,108]
Recreational vehicle taxes	3,063	3,076	3,103	[27]
Commercial vehicle taxes	3,068	2,912	4,233	[1,321]
Miscellaneous	131,136	47,771	385,000	[337,229]
Total Receipts	2,000,873	2,164,187	$ 2,357,406	$ [193,219]
Expenditures				
Instruction	311,434	362,611	$ 360,000	$ 2,611
Student support services	751,241	642,726	370,000	272,726
Instructional support services	30,771	12,948	31,000	[18,052]
General administration	-	-	1,000	[1,000]
School administration	3,901	3,553	15,000	[11,447]
Central services	181	161	-	161
Operations and maintenance	559,406	514,630	1,165,958	[651,328]
Transportation	209,716	7,123	20,000	[12,877]
Facility acquisition and construction	263,204	458,370	1,310,000	[851,630]
Total Expenditures	2,129,854	2,002,122	$ 3,272,958	$ [1,270,836]
Receipts Over [Under] Expenditures	[128,981]	162,065		
Unencumbered Cash, Beginning	1,044,533	915,552		
Unencumbered Cash, Ending	$ 915,552	$ 1,077,617		

UNIFIED SCHOOL DISTRICT NO. 362
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 6,792	$ 5,320	$ 6,750	$ [1,430]
Miscellaneous	6,476	10,766	15,000	[4,234]
Total Receipts	13,268	16,086	$ 21,750	$ [5,664]
Expenditures				
Instruction	21,167	9,473	$ 28,642	$ [19,169]
Operations & maintenance	916	1,053	1,000	53
Total Expenditures	22,083	10,526	$ 29,642	$ [19,116]
Receipts Over [Under] Expenditures	[8,815]	5,560		
Unencumbered Cash, Beginning	16,708	7,893		
Unencumbered Cash, Ending	$ 7,893	$ 13,453		

UNIFIED SCHOOL DISTRICT NO. 362
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Federal aid	$ 724,155	$ 351,411	$ 326,706	$ 24,705
State aid	4,891	4,331	3,841	490
Charges for services	10,375	150,247	194,226	[43,979]
Miscellaneous	20,232	36,190	35,000	1,190
Total Receipts	759,653	542,179	$ 559,773	$ [17,594]
Expenditures				
Food service operation	642,190	566,302	$ 785,803	$ [219,501]
Total Expenditures	642,190	566,302	$ 785,803	$ [219,501]
Receipts Over [Under] Expenditures	117,463	[24,123]		
Unencumbered Cash, Beginning	108,568	226,031		
Unencumbered Cash, Ending	$ 226,031	$ 201,908		

UNIFIED SCHOOL DISTRICT NO. 362
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ -	$ 578	$ 3,000	$ [2,422]
Interest	-	-	18,000	[18,000]
Transfer in	2,165	23,333	25,000	[1,667]
Total Receipts	2,165	23,911	$ 46,000	$ [22,089]
Expenditures				
Instructional support services	23,165	23,333	$ 25,000	$ [1,667]
Total Expenditures	23,165	23,333	$ 25,000	$ [1,667]
Receipts Over [Under] Expenditures	[21,000]	578		
Unencumbered Cash, Beginning	21,000	-		
Unencumbered Cash, Ending	$ -	$ 578		

UNIFIED SCHOOL DISTRICT NO. 362
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 2,208	$ 2,791	$ 2,000	$ 791
Miscellaneous	-	-	10,000	[10,000]
Total Receipts	2,208	2,791	$ 12,000	$ [9,209]
Expenditures				
Instruction	2,208	2,214	$ 12,000	$ [9,786]
Total Expenditures	2,208	2,214	$ 12,000	$ [9,786]
Receipts Over [Under] Expenditures	-	577		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 577		

UNIFIED SCHOOL DISTRICT NO. 362
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 10,000	$ 33,600	$ 70,000	$ [36,400]
Total Receipts	10,000	33,600	$ 70,000	$ [36,400]
Expenditures				
Instruction	10,000	33,600	$ 70,000	$ [36,400]
Total Expenditures	10,000	33,600	$ 70,000	$ [36,400]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 362
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfers in	$ 2,155,644	$ 2,629,055	$ 2,409,482	$ 219,573
Interest	-	-	360,385	[360,385]
Reimbursements	67,462	-	-	-
Total Receipts	2,223,106	2,629,055	$ 2,769,867	$ [140,812]
Expenditures				
Instruction	2,161,857	1,990,674	$ 2,382,731	$ [392,057]
Operations and maintenance	2,319	1,986	3,800	[1,814]
Transportation	437,473	505,760	730,600	[224,840]
Total Expenditures	2,601,649	2,498,420	$ 3,117,131	$ [618,711]
Receipts Over [Under] Expenditures	[378,543]	130,635		
Unencumbered Cash, Beginning	525,807	147,264		
Unencumbered Cash, Ending	$ 147,264	$ 277,899		

UNIFIED SCHOOL DISTRICT NO. 362
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Reimbursements	$ 2,156	$ -	$ -	$ -
State aid	-	64,627	31,775	32,852
Interest	-	6,538	54,500	[47,962]
Transfers in	454,885	378,305	450,000	[71,695]
Total Receipts	457,041	449,470	$ 536,275	$ [86,805]
Expenditures				
Instruction	457,041	448,161	$ 536,275	$ [88,114]
Total Expenditures	457,041	448,161	$ 536,275	$ [88,114]
Receipts Over [Under] Expenditures	-	1,309		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 1,309		

UNIFIED SCHOOL DISTRICT NO. 362
Federal Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Federal aid	$ 683,512	$ 784,359	$ 854,188	$ [69,829]
Total Receipts	683,512	784,359	$ 854,188	$ [69,829]
Expenditures				
Instruction	505,314	669,515	$ 783,475	$ [113,960]
Student support services	43,635	35,824	35,000	824
Instructional support services	30,300	-	-	-
School administration	9,283	10,039	11,000	[961]
Operations and maintenance	6,838	6,427	5,000	1,427
Transportation	13,095	12,904	15,000	[2,096]
Food service	3,460	3,660	5,000	[1,340]
Total Expenditures	611,925	738,369	$ 854,475	$ [116,106]
Receipts Over [Under] Expenditures	71,587	45,990		
Unencumbered Cash, Beginning	[339,300]	[267,713]		
Unencumbered Cash, Ending	$ [267,713]	$ [221,723]		

UNIFIED SCHOOL DISTRICT NO. 362
Textbook Rental Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 26,705	$ 27,323
Total Receipts	26,705	27,323
Expenditures		
Instruction	60,000	4,837
Total Expenditures	60,000	4,837
Receipts Over [Under] Expenditures	[33,295]	22,486
Unencumbered Cash, Beginning	36,760	3,465
Unencumbered Cash, Ending	$ 3,465	$ 25,951

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 362
KPERS Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 1,096,044	$ 1,141,279	$ 1,260,451	$ [119,172]
Total Receipts	1,096,044	1,141,279	$ 1,260,451	$ [119,172]
Expenditures				
Instruction	548,021	564,285	$ 630,225	$ [65,940]
Student support services	49,820	52,949	57,294	[4,345]
Instructional support staff	28,469	31,035	32,739	[1,704]
General administration	7,117	9,120	8,185	935
School administration	71,172	74,864	81,848	[6,984]
Central services	21,352	23,730	24,554	[824]
Operations and maintenance	106,758	111,388	122,771	[11,383]
Food service	78,289	82,168	90,031	[7,863]
Transportation	185,046	191,740	212,804	[21,064]
Total Expenditures	1,096,044	1,141,279	$ 1,260,451	$ [119,172]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 362
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous	$ -	$ -
Total Receipts	-	-
Expenditures		
Transfer out	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	1,250,293	1,250,293
Unencumbered Cash, Ending	$ 1,250,293	$ 1,250,293

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 362
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Donations	$ 51,761	$ 38,346	$ 75,000	$ [36,654]
Miscellaneous	26,372	21,849	75,000	[53,151]
Total Receipts	78,133	60,195	$ 150,000	$ [89,805]
Expenditures				
Instruction	27,701	58,307	$ 170,000	$ [111,693]
Student support services	46,982	58,032	50,000	8,032
Instructional support services	2,342	317	19,344	[19,027]
Total Expenditures	77,025	116,656	$ 239,344	$ [122,688]
Receipts Over [Under] Expenditures	1,108	[56,461]		
Unencumbered Cash, Beginning	88,449	89,557		
Unencumbered Cash, Ending	$ 89,557	$ 33,096		

UNIFIED SCHOOL DISTRICT NO. 362
Bond Construction Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Interest	$ 168	$ 687
Total Receipts	168	687
Expenditures		
Building improvements	7,171,092	741,228
Total Expenditures	7,171,092	741,228
Receipts Over [Under] Expenditures	[7,170,924]	[740,541]
Unencumbered Cash, Beginning	7,911,465	740,541
Unencumbered Cash, Ending	$ 740,541	$ -

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 362
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts For the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 1,131,840	$ 1,296,525	$ 1,198,468	$ 98,057
Delinquent ad valorem taxes	7,631	9,562	8,278	1,284
Motor vehicle tax	43,234	41,581	47,930	[6,349]
Recreational vehicle tax	1,805	1,818	1,830	[12]
Commercial vehicle tax	1,753	2,220	1,907	313
Interest	-	11	-	11
Total Receipts	1,186,263	1,351,717	$ 1,258,413	$ 93,304
Expenditures				
Principal	780,000	815,000	$ 815,000	$ -
Interest	301,232	281,382	281,382	-
Total Expenditures	1,081,232	1,096,382	$ 1,096,382	$ -
Receipts Over [Under] Expenditures	105,031	255,335		
Unencumbered Cash, Beginning	2,199,784	2,304,815		
Unencumbered Cash, Ending	$ 2,304,815	$ 2,560,150		

See independent auditor's report on the financial statements.

Schedule 3

UNIFIED SCHOOL DISTRICT NO. 362
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
LaCygne Elementary School				
Student Organization Funds	$ 611	$ -	$ 602	$ 9
Petty Cash	928	625	1,152	401
Total LaCygne Elementary School	1,539	625	1,754	410
Prairie View Middle School				
Student Organization Funds	7,010	9,914	13,335	3,589
Petty Cash	58	-	58	-
Total Middle School	7,068	9,914	13,393	3,589
Prairie View High School				
Student Organization Funds	54,460	129,487	145,118	38,829
Petty Cash	1,190	-	1,190	-
Total High School	55,650	129,487	146,308	38,829
Total Student Organization Funds	$ 64,257	$ 68,253	$ 161,455	$ 42,828

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Special Projects:							
Parker Elementary School	$ 5,825	$ -	$ 57,166	$ 54,926	$ 8,065	$ -	$ 8,065
LaCygne Elementary School	6,172	-	55,129	51,820	9,481	-	9,481
Middle School Food Service	227	-	37,114	35,605	1,736	-	1,736
Middle School Gate Receipts	3,677	-	18,830	15,391	7,116	-	7,116
Middle School Other District Accts	4,356	-	14,532	11,675	7,213	-	7,213
High School Food Service	462	-	33,626	33,888	200	-	200
High School Gate Receipts	7,434	-	61,610	67,827	1,217	-	1,217
High School Other District Accts	35,633	-	118,149	123,341	30,441	-	30,441
High School Reimbursements	4,159	-	10,684	14,764	79	-	79
District Petty Cash	1,263	-	-	760	503	-	503
Total District Activity Funds	$ 69,208	$ -	$ 406,840	$ 409,997	$ 66,051	$ -	$ 66,051

Schedule 5

UNIFIED SCHOOL DISTRICT NO. 362
Private Purpose Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

FUND	Beginning Cash Balance	Receipts	Expenditures	Ending Cash Balance
Prairie View High School Scholarships	$ 29,007	$ -	$ 110	$ 28,897
Total Prairie View High School	29,007	-	110	28,897
Total Private Purpose Trust Funds	$ 29,007	$ -	$ 110	$ 28,897

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	$ [33,918]	$ 158,445	$ 156,975	$ [32,448]
Supporting Effective Instruction State Grants	84.367	[57,041]	29,081	32,300	[60,260]
Student Support and Academic Enrichment Program	84.424	3,869	34,526	17,253	21,142
Elementary and Secondary School Emergency Relief Fund	84.425	[180,622]	562,307	531,841	[150,156]
Total U.S. Department of Education			784,359	738,369	
U.S. Department of Health and Human Services					
Passed Through State Department of Education					
COVID Testing Grant	93.323	-	19,900	19,990	-
Total U.S. Department of Health and Human Services			19,900	19,990	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	241,518	241,518	-
National School Lunch Program	10.555	-	36,190	36,190	-
National School Lunch Program	10.559	-	25,043	25,043	-
Total Child Nutrition Cluster		-	302,751	302,751	-
Total U.S. Department of Agriculture			302,751	302,751	
Total Expenditures of Federal Awards			$ 1,107,010	$ 1,061,110	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 362

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

1. Organization

Unified School District No. 362, LaCygne, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

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

5. Outstanding Loans

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

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 362
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.425	Elementary and Secondary School Emergency Relief Fund

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

UNIFIED SCHOOL DISTRICT NO. 362
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

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

Board of Education
Unified School District No. 362
LaCygne, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 362 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 19, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

February 19, 2024

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

Board of Education
Unified School District No. 362
LaCygne, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 362, LaCygne, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2023, and have issued our report thereon dated February 19, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

February 19, 2024