UNIFIED SCHOOL DISTRICT NO. 409

Atchison, Kansas

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

June 30, 2023

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
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February 5, 2024

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 409
Atchison, 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 Unified School District No. 409 (the District), as of and for the year ended June 30, 2023 and the related notes to the financial statement.

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

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

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

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

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated February 5, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS						
General Funds:						
General Fund	$ -	$ 12,642,440	$ 12,642,440	$ -	$ -	$ -
Supplemental General Fund	283,827	3,949,567	3,934,748	298,646	-	298,646
Special Purpose Funds						
Preschool-Aged At-Risk	38,571	69,629	69,629	38,571	-	38,571
At-Risk (K-12)	688,692	3,405,821	3,403,015	691,498	-	691,498
Bilingual Education	-	5,000	5,000	-	-	-
Capital Outlay	4,605,140	1,526,762	756,069	5,375,833	-	5,375,833
Driver Education	21,005	-	-	21,005	-	21,005
Food Service	768,305	985,354	1,120,057	633,602	-	633,602
KPERS Special Retirement Contribution	-	1,755,519	1,755,519	-	-	-
Professional Development	101,754	5,916	17,587	90,083	-	90,083
Parent Education	-	16,000	16,000	-	-	-
Special Education	947,961	3,849,305	3,852,121	945,145	-	945,145
Career and Postsecondary Education Fund	77,505	295,254	295,254	77,505	-	77,505
Gifts and Grants	93,325	53,160	49,550	96,935	-	96,935
Contingency Reserve	812,480	-	-	812,480	-	812,480
Textbook Rental	203,333	353,411	284,882	271,862	-	271,862
Carl Perkins	10,403	5,752	18,584	(2,429)	-	(2,429)
Title I	109	448,390	455,575	(7,076)	-	(7,076)
Title IIA	-	69,814	83,531	(13,717)	-	(13,717)
Title IVA	-	32,810	32,930	(120)	-	(120)
ESSER I	-	10,016	10,016	-	-	-
ESSER II	245,532	30,011	275,543	-	-	-
ESSER III	(373,606)	615,985	488,576	(246,197)	-	(246,197)
District Activity funds	110,473	272,636	284,463	98,646	-	98,646
KDHE Grant	(44,536)	207,283	203,785	(41,038)	-	(41,038)
Debt Service Fund						
Bond and Interest	4,685,663	2,660,256	1,919,340	5,426,579	-	5,426,579
Capital Project						
Bond Proceeds	221,787	-	-	221,787	-	221,787
Total Primary Government	$ 13,497,723	$ 33,266,091	$ 31,974,214	$ 14,789,600	$ -	$ 14,789,600

(Continued)

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

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS (CONTINUED)						
Component Unit						
Atchison Recreation Commission General	$ 253,802	$ 462,139	$ 471,864	$ 244,077	$ -	$ 244,077
Atchison Recreation Commission Employee Benefit	43,512	98,892	94,643	47,761	-	47,761
	$ 297,314	$ 561,031	$ 566,507	$ 291,838	$ -	$ 291,838
Total Reporting Entity (Excluding Agency Funds)	$ 13,795,037	$ 33,827,122	$ 32,540,721	$ 15,081,438	$ -	$ 15,081,438

Composition of Cash	
Checking Accounts	$ 15,010,116
Total Component Unit	291,838
Total Cash	$ 15,301,954
Less: Agency Funds per Statement 4	(220,516)
Total Reporting Entity	$ 15,081,438

STATEMENT 1 (CONTINUED)

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

Note 1: Summary of Significant Accounting Policies

Unified School District No. 409 (the District) is a municipal corporation governed by an elected seven member board. The District as an entity has been defined to include, on a combined basis, (a) the District (b) organizations for which the District is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete.

Discretely presented component unit - The component unit section of this financial statement includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. The governing body of this component unit is appointed by the District.

Recreation Commission - The Recreation Commission oversees recreational activities: The Recreation Commission operates a separate governing body but the District levies, the taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission cannot purchase real property, but can acquire real property by gift. The accounting policies of the Recreation Commission are the same as those of the District.

Basis of Presentation

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 balances on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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 statutory basis of accounting.

Fund Descriptions

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

The following types of funds comprise the financial activities of the District:

Governmental Funds

General Fund is used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds are 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.

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

Bond and Interest Fund is used to account for the accumulation of resources for and the payment of interest and principal on general long-term debt.

Agency Fund is used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund; activity accounts, etc.).

Note 1: Summary of Significant Accounting Policies (Continued)

Reimbursed Expenses

Expenditures in the amount of $87,115 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment 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 statement 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.

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

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

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

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

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

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

Carl Perkins	ESSER II	Title I & Carryover
Contingency Reserve	ESSER III	Title IIA & Carryover
District Activity	KDHE Grant	Title IVA
ESSER I	Textbook	

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 1: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Deficit Cash/Unencumbered Cash for Individual Funds

Funds with a Deficit Unencumbered Cash Balance- Generally, school districts are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A 12-1663, however, provides an exception for those funds which are to be financed by Federal government sources and other grants and gifts. 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, 2023: Title I, Title IIA, Title IVA, ESSER I, ESSER II, ESSER III and KDHE Grant. These funds are financed by Federal and State governmental agencies and the District is expecting reimbursement of qualifying grant expenditures.

Note 2: Deposits and Investments

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

K.S.A. 12-1675 limits the 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 limits 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. 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 District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not utilize peak periods. All deposits were legally secured at June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $15,010,116 and the bank balance was $16,686,098. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by the federal depository insurance, and the remaining $16,436,098 was collateralized with bank pledged securities whose fair value on June 30, 2023 was $17,275,656. The pledged securities are held by a third party bank.

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

Note 3: Defined Benefit Pension Plan

Plan Description

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

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.83% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

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

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

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal 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 $1,755,519 for the year ended June 30, 2023.

Note 3: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $15,280,818. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. 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 previously.

Note 4: Risk Management

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

Note 5: Stewardship, Compliance and Accountability

There were no material violations noted of Kansas Statutes for the period under examination.

Note 6: Compensated Absences

Full time, twelve month, non-certified employees earn ten days of vacation time per year. After twelve years, fifteen days of vacation time are earned per year. Vacation time does not accumulate. Sick and emergency leave is accrued at the rate of one day per month worked during the year for all employees, with a maximum accumulation of ninety days. Any days accumulated over ninety are paid the following year at 65% of the beginning pay scale rates. Such pay is made in November after the end of the fiscal year. Certified Staff members who retire and apply for KPERS receive their unused sick and emergency leave at their daily rate. The District has not computed or recorded the liability at year end.

Note 7: Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statement.

Note 8: 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.

Note 9: Interfund Transfers

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	$ 1,775,000
General Fund	Preschool-Aged At-Risk Fund	K.S.A. 72-6428	69,629
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6428	2,451,914
General Fund	Career and Postsecondary Fund	K.S.A. 72-6428	177,254
General Fund	Textbooks Fund	K.S.A. 72-6428	263,971
Supplemental General Fund	Bilingual Fund	K.S.A. 72-6425	5,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6425	1,406,450
Supplemental General Fund	Career and Postsecondary Fund	K.S.A. 72-6425	118,000
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6425	16,000
Supplemental General Fund	At-Risk (K-12) Fund	K.S.A. 72-6425	953,907
			$ 7,237,125

Note 10: Subsequent Events

Subsequent events for management's review have been evaluated through February 5, 2024. The date in the prior sentence is the date the financial statement is available to be issued.

Note 11: Long-Term Debt

General Long-Term Debt

The District is subject to statutes of the State of Kansas, which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under K.S.A. 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation.

Following is a summary of long-term debt transactions of the District's for the year:

	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 2011-B	3.00%	12/15/11	$ 6,080,000	9/1/22	$ 1,190,000	$ -	$ 1,190,000	$ (1,190,000)	$ -	$ 17,850
Series 2013-A	3.00%	9/1/13	14,515,000	9/1/31	9,930,000	-	350,000	(350,000)	9,580,000	329,644
Series 2013-B	3.00%	3/1/14	980,000	9/1/34	805,000	-	-	-	805,000	31,846
					$ 11,925,000	$ -	$ 1,540,000	$ (1,540,000)	$ 10,385,000	$ 379,340
Lease Purchase										
Computer Equipment - Teachers	2.25%	5/17/20	$ 200,666	5/17/23	$ 50,387	$ -	$ 50,387	$ (50,387)	$ -	$ 448
Total Long-Term Debt					$ 11,975,387	$ -	$ 1,590,387	$ (1,590,387)	$ 10,385,000	$ 379,788

Note 11: Long-Term Debt (Continued)

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

	2024	2025	2026	2027	2028	2029-2033	2034-2038	Total
Principal								
General Obligation Bonds	$ 1,170,000	$ 1,270,000	$ 1,315,000	$ 1,360,000	$ 1,360,000	$ 3,760,000	$ 150,000	$ 10,385,000
Interest								
General Obligation Bonds	$ 340,264	$ 297,589	$ 246,389	$ 193,294	$ 145,671	$ 253,977	$ 7,125	$ 1,484,309
TOTAL PRINCIPAL AND INTEREST	$ 1,510,264	$ 1,567,589	$ 1,561,389	$ 1,553,294	$ 1,505,671	$ 4,013,977	$ 157,125	$ 11,869,309

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

ATCHISON UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds:						
General Fund	$ 12,905,965	$ (360,156)	$ 96,631	$ 12,642,440	$ 12,642,440	$ -
Supplemental General Fund	4,041,503	(106,755)	-	3,934,748	3,934,748	-
Special Revenue Funds						
Preschool-Aged At-Risk Fund	112,669	-	-	112,669	69,629	(43,040)
At-Risk (K-12)	4,409,763	-	-	4,409,763	3,403,015	(1,006,748)
Bilingual Education	10,000	-	-	10,000	5,000	(5,000)
Capital Outlay	5,537,058	-	-	5,537,058	756,069	(4,780,989)
Driver Training	29,105	-	-	29,105	-	(29,105)
Food Service	2,021,164	-	-	2,021,164	1,120,057	(901,107)
KPERS Special Retirement Contribution	2,465,267	-	-	2,465,267	1,755,519	(709,748)
Professional Development	156,254	-	-	156,254	17,587	(138,667)
Parent Education	15,000	-	-	15,000	16,000	1,000
Special Education	5,265,092	-	-	5,265,092	3,852,121	(1,412,971)
Career and Postsecondary Education Fund	364,785	-	-	364,785	295,254	(69,531)
Gifts and Grants	543,326	-	-	543,326	49,550	(493,776)
Bond and Interest	1,919,343	-	-	1,919,343	1,919,340	(3)
Component Units						
Atchison Recreation Commission General	483,500	-	-	483,500	471,864	(11,636)
Atchison Recreation Commission Employee Benefit	98,500	-	-	98,500	94,643	(3,857)
Total Funds	$ 40,378,294	$ (466,911)	$ 96,631	$ 40,008,014	$ 30,402,836	$ (9,605,178)

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Reimbursement	$ 96,631	$ -	$ 96,631
State Sources			
State Aid	10,771,958	10,755,325	16,633
Special Education Aid	1,773,851	2,150,640	(376,789)
Total Cash Receipts	$ 12,642,440	$ 12,905,965	$ (263,525)
EXPENDITURES			
Instruction	$ 2,944,085	$ 3,783,016	$ (838,931)
Student support services	231,409	260,794	(29,385)
Instruction support staff	73,730	109,240	(35,510)
General administration	452,976	480,402	(27,426)
School administration	1,251,686	1,256,092	(4,406)
Central services	124,175	114,867	9,308
Operations and maintenance	2,191,454	1,891,213	300,241
Student transportation services	635,157	143,222	491,935
Operating transfers	4,737,768	4,867,119	(129,351)
Adjustments for qualifying budget credits	-	96,631	(96,631)
Adjustment to comply with legal maximum	-	(360,156)	360,156
Total Expenditures	$ 12,642,440	$ 12,642,440	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 1,525,212	$ 49,113	$ 1,476,099
Delinquent tax	-	7,175	(7,175)
Motor vehicle tax	86,564	133,975	(47,411)
RV tax	1,519	1,472	47
Miscellaneous	212	-	212
State Sources			
Special Education Aid	2,336,060	2,399,440	(63,380)
Total Cash Receipts	$ 3,949,567	$ 2,591,175	$ 1,358,392
EXPENDITURES			
Instruction	$ 1,000,242	$ 759,165	$ 241,077
Instruction support staff	286,113	280,182	5,931
School administration	73,334	130,000	(56,666)
Operations and maintenance	75,702	80,000	(4,298)
Operating transfers	2,499,357	2,792,156	(292,799)
Adjustment to comply with legal maximum	-	(106,755)	106,755
Total Expenditures	$ 3,934,748	$ 3,934,748	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 14,819		
UNENCUMBERED CASH - BEGINNING	283,827		
UNENCUMBERED CASH - ENDING	$ 298,646		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 69,629	$ 74,098	$ (4,469)
EXPENDITURES			
Instruction	$ 69,629	$ 112,669	$ (43,040)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	38,571		
UNENCUMBERED CASH - ENDING	$ 38,571		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
AT-RISK FUND (K-12)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 3,405,821	$ 3,808,576	$ (402,755)
EXPENDITURES			
Instruction	$ 3,036,283	$ 4,020,396	$ (984,113)
Student support services	149,946	146,484	3,462
Instruction support staff	68,321	98,654	(30,333)
School administration	146,231	144,229	2,002
Operations and maintenance	2,234	-	2,234
Total Expenditures	$ 3,403,015	$ 4,409,763	$ (1,006,748)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,806		
UNENCUMBERED CASH - BEGINNING	688,692		
UNENCUMBERED CASH - ENDING	$ 691,498		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 5,000	$ 10,000	$ (5,000)
EXPENDITURES			
Instruction	$ 5,000	$ 10,000	$ (5,000)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 550,915	$ 462,557	$ 88,358
Delinquent tax	-	2,461	(2,461)
Interest on idle funds	565,428	70,000	495,428
Motor vehicle tax	29,586	44,561	(14,975)
RV tax	517	500	17
CV tax	-	964	(964)
Other	94,586	54,710	39,876
State Sources			
State Aid	285,730	296,165	(10,435)
Total Cash Receipts	$ 1,526,762	$ 931,918	$ 594,844
EXPENDITURES			
Instruction	$ 555,202	$ 5,537,058	$ (4,981,856)
Instructional support staff	12,174	-	12,174
Operations and maintenance	188,693	-	188,693
Total Expenditures	$ 756,069	$ 5,537,058	$ (4,780,989)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 770,693		
UNENCUMBERED CASH - BEGINNING	4,605,140		
UNENCUMBERED CASH - ENDING	$ 5,375,833		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State Aid	$ -	$ 8,100	$ (8,100)
EXPENDITURES			
Instruction	$ -	$ 29,105	$ (29,105)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	21,005		
UNENCUMBERED CASH - ENDING	$ 21,005		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Charges for services	$ 110,658	$ 172,740	$ (62,082)
Interest on idle fund	23,559	5,000	18,559
Miscellaneous revenues	40,477	50,000	(9,523)
State Sources			
School food assistance	7,042	8,680	(1,638)
Federal Sources			
Child nutrition programs	803,618	916,440	(112,822)
Other	-	100,000	(100,000)
Total Cash Receipts	$ 985,354	$ 1,252,860	$ (267,506)
EXPENDITURES			
Food service operations	$ 1,120,057	$ 2,021,164	$ (901,107)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (134,703)		
UNENCUMBERED CASH - BEGINNING	768,305		
UNENCUMBERED CASH - ENDING	$ 633,602		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State Aid	$ 1,755,519	$ 2,465,267	$ (709,748)
EXPENDITURES			
Instruction	$ 1,231,014	$ 2,000,000	$ (768,986)
Student support services	94,681	100,000	(5,319)
Instruction support staff	55,216	10,000	45,216
General administration	66,793	50,000	16,793
School administration	135,765	120,000	15,765
Operations and maintenance	110,386	115,267	(4,881)
Central support services	10,905	10,000	905
Food service operations	50,759	60,000	(9,241)
Total Expenditures	$ 1,755,519	$ 2,465,267	$ (709,748)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 4,500	$ 50,000	$ (45,500)
State Sources			
Professional development aid	1,416	4,500	(3,084)
Total Cash Receipts	$ 5,916	$ 54,500	$ (48,584)
EXPENDITURES			
Instruction	$ 17,587	$ 156,254	$ (138,667)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (11,671)		
UNENCUMBERED CASH - BEGINNING	101,754		
UNENCUMBERED CASH - ENDING	$ 90,083		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 16,000	$ 15,000	$ 1,000
EXPENDITURES			
Student support services	$ 16,000	$ 15,000	$ 1,000
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 62,017	$ -	$ 62,017
State Sources			
State Aid	51,019	131,000	(79,981)
Federal Sources			
Federal Aid	554,819	745,000	(190,181)
Operating transfers	3,181,450	3,449,200	(267,750)
Total Cash Receipts	$ 3,849,305	$ 4,325,200	$ (475,895)
EXPENDITURES			
Instruction	$ 2,614,465	$ 3,968,540	$ (1,354,075)
Student support services	922,091	865,043	57,048
General administration	182,229	161,509	20,720
Student transportation services	133,336	270,000	(136,664)
Total Expenditures	$ 3,852,121	$ 5,265,092	$ (1,412,971)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,816)		
UNENCUMBERED CASH - BEGINNING	947,961		
UNENCUMBERED CASH - ENDING	$ 945,145		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 295,254	$ 287,281	$ 7,973
EXPENDITURES			
Instruction	$ 295,254	$ 364,785	$ (69,531)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	77,505		
UNENCUMBERED CASH - ENDING	$ 77,505		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Gifts and grants	$ 28,271	$ 450,000	$ (421,729)
State Sources			
State aid	24,889	-	24,889
Total Cash Receipts	$ 53,160	$ 450,000	$ (396,840)
EXPENDITURES			
Instruction	$ 49,550	$ 543,326	$ (493,776)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,610		
UNENCUMBERED CASH - BEGINNING	93,325		
UNENCUMBERED CASH - ENDING	$ 96,935		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 1,539,796	$ 1,292,669	$ 247,127
Delinquent tax	-	6,860	(6,860)
Motor vehicle tax	82,571	124,578	(42,007)
RV tax	1,445	1,399	46
CV tax	-	2,694	(2,694)
State Sources			
State aid	1,036,444	1,036,444	-
Total Cash Receipts	$ 2,660,256	$ 2,464,644	$ 195,612
EXPENDITURES			
Debt service	$ 1,919,340	$ 1,919,343	$ (3)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 740,916		
UNENCUMBERED CASH - BEGINNING	4,685,663		
UNENCUMBERED CASH - ENDING	$ 5,426,579		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
BOND PROCEEDS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023

CASH RECEIPTS	
Local Sources	
Interest on idle funds	$ -
EXPENDITURES	
Facility acquisition and construction	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -
UNENCUMBERED CASH - BEGINNING	221,787
UNENCUMBERED CASH - ENDING	$ 221,787

*This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
RECREATION COMMISSION - GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 315,835	$ 267,023	$ 48,812
Delinquent tax	-	1,300	(1,300)
Motor vehicle tax	27,567	26,296	1,271
RV tax	296	295	1
CV tax	533	568	(35)
Local - Other	75,104	75,000	104
Miscellaneous revenues	42,804	-	42,804
Total Cash Receipts	$ 462,139	$ 370,482	$ 91,657
EXPENDITURES			
Community service operations	$ 471,864	$ 483,500	$ (11,636)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (9,725)		
UNENCUMBERED CASH - BEGINNING	253,802		
UNENCUMBERED CASH - ENDING	$ 244,077		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
RECREATION COMMISSION - EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 90,769	$ 76,768	$ 14,001
Delinquent tax	-	388	(388)
Motor vehicle tax	7,890	7,405	485
RV tax	85	83	2
CV tax	148	160	(12)
Total Cash Receipts	$ 98,892	$ 84,804	$ 14,088
EXPENDITURES			
Community service operations	$ 94,643	$ 98,500	$ (3,857)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4,249		
UNENCUMBERED CASH - BEGINNING	43,512		
UNENCUMBERED CASH - ENDING	$ 47,761		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Carl Perkins	Contingency Reserve	ESSER I	ESSER II	ESSER III	KDHE Grant
CASH RECEIPTS						
Federal aid	$ 5,752	$ -	$ 10,016	$ 30,011	$ 615,985	$ 207,283
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Cash Receipts	$ 5,752	$ -	$ 10,016	$ 30,011	$ 615,985	$ 207,283
EXPENDITURES						
Instruction	$ 18,584	$ -	$ 10,016	$ 201,339	$ 391,620	$ 203,785
Student support services	-	-	-	12,455	2,832	-
Instruction support staff	-	-	-	-	60,763	-
Operations and maintenance	-	-	-	61,749	-	-
Student transportation services	-	-	-	-	33,361	-
Total Expenditures	$ 18,584	$ -	$ 10,016	$ 275,543	$ 488,576	$ 203,785
RECEIPTS OVER (UNDER) EXPENDITURES	$ (12,832)	$ -	$ -	$ (245,532)	$ 127,409	$ 3,498
UNENCUMBERED CASH - BEGINNING	10,403	812,480	-	245,532	(373,606)	(44,536)
UNENCUMBERED CASH - ENDING	$ (2,429)	$ 812,480	$ -	$ -	$ (246,197)	$ (41,038)

(Continued)

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2023

	Textbook	Title I	Title I Carryover	Title IIA	Title IIA Carryover	Title IVA 2021-2022
CASH RECEIPTS						
Federal aid	$ -	$ 53,390	$ 395,000	$ 45,852	$ 23,962	$ 32,810
Other	89,440	-	-	-	-	-
Agency	263,971	-	-	-	-	-
Total Cash Receipts	$ 353,411	$ 53,390	$ 395,000	$ 45,852	$ 23,962	$ 32,810
EXPENDITURES						
Instruction	$ 284,882	$ 53,499	$ 402,076	$ 59,569	$ 23,962	$ 32,930
Student support services	-	-	-	-	-	-
Instruction support staff	-	-	-	-	-	-
Student transportation services	-	-	-	-	-	-
Total Expenditures	$ 284,882	$ 53,499	$ 402,076	$ 59,569	$ 23,962	$ 32,930
RECEIPTS OVER (UNDER) EXPENDITURES	$ 68,529	$ (109)	$ (7,076)	$ (13,717)	$ -	$ (120)
UNENCUMBERED CASH - BEGINNING	203,333	109	-	-	-	-
UNENCUMBERED CASH - ENDING	$ 271,862	$ -	$ (7,076)	$ (13,717)	$ -	$ (120)

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll liabilities				
Revolving	$ 179,982	$ 77,776	$ 157,867	$ 99,891
Flex Spending	34,334	41,040	34,898	40,476
Total Payroll Funds	$ 214,316	$ 118,816	$ 192,765	$ 140,367
Atchison High School	$ 45,491	$ 45,729	$ 37,952	$ 53,268
Atchison Middle School	17,303	26,736	27,091	16,948
Atchison Elementary School	6,469	10,591	7,269	9,791
Atchison Alternative School	372	4,120	4,350	142
Total School Funds	$ 69,635	$ 87,176	$ 76,662	$ 80,149
Total Agency Funds	$ 283,951	$ 205,992	$ 269,427	$ 220,516

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance
Gate Receipts				
Atchison High School	$ 18,169	$ 124,361	$ 108,993	$ 33,537
Atchison Middle School	1,516	4,779	6,510	(215)
Total Gate Receipts	$ 19,685	$ 129,140	$ 115,503	$ 33,322
School Projects				
Atchison High School	$ 63,200	$ 87,697	$ 112,383	$ 38,514
Atchison Middle School	16,400	13,500	17,788	12,112
Atchison Elementary School	11,188	42,299	38,789	14,698
Total School Projects	$ 90,788	$ 143,496	$ 168,960	$ 65,324
Total District Activity	$ 110,473	$ 272,636	$ 284,463	$ 98,646

VARNEY
& ASSOCIATES, CPAs, LLC

February 5, 2024

Board of Education
Unified School District No. 409
Atchison, 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 the Unified School District No. 409 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated February 5, 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

February 5, 2024

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 409
Atchison, Kansas

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

Unmodified Opinions

We have audited Unified School District No. 409's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Unmodified Opinions

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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Auditor's Responsibilities for the Audit of Compliance (Continued)

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

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

	Federal AL Number		Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Dept. of Agriculture					
Passed through State Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	10.553		DO409	$ 165,211	$ -
National School Lunch Program	10.555		DO409	566,838	-
Cash for Commodities	10.559		DO409	42,075	-
Fresh Fruits and Vegetables	10.582		DO409	29,495	-
Total Child Nutrition Cluster				$ 803,619	$ -
U.S. Dept. of Education					
Passed through State Department of Education					
Special Education (IDEA) Cluster					
EHC Flo-Thru	84.027A	*	DO409	$ 516,664	$ -
ED Flo-Thru	84.173A	*	DO409	22,160	-
Total Special Education (IDEA) Cluster				$ 538,824	$ -
Title I	84.010A		DO409	$ 455,575	$ -
Program Improvement	84.048A		DO409	18,584	-
Title II - Teacher Quality	84.367A		DO409	83,531	-
ESSA Student Support	84.424A		DO409	32,930	-
COVID-19 - Elementary and Secondary School Emergency Relief II	84.425D	*	DO409	10,016	-
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	*	DO409	764,119	-
Total U.S. Dept. of Education				$ 1,903,579	$ -
U.S. Dept. of Health and Human Services					
Passed through the State Department of Health and Human Services					
COVID-19 - KDHE K-12 COVID Testing Grant	93.323		DO409	$ 203,785	$ -
TOTAL FEDERAL ASSISTANCE				$ 2,910,983	$ -

* Major Program

NOTE A: BASIS OF PRESENTATION

This schedule is prepared on a basis of accounting that demonstrates compliance with the cash 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 B: 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 C: 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, 2023.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of 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	CFDA Number
COVID-19 - Elementary and Secondary School Emergency Relief	84.425D and 84.425U
Special Education Cluster	84.027A and 84.173A

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