UNIFIED SCHOOL DISTRICT NO. 470
ARKANSAS CITY, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2023

BFR

UNIFIED SCHOOL DISTRICT NO. 470
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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 470
Arkansas City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 470, Arkansas City, Kansas**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
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 **Unified School District No. 470, Arkansas City, Kansas**, 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 **Unified School District No. 470, Arkansas City, Kansas**, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Unified School District No. 470, Arkansas City, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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Board of Education
Unified School District No. 470

Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 470, Arkansas City, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 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 **Unified School District No. 470, Arkansas City, Kansas'** 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.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 **Unified School District No. 470, Arkansas City, Kansas'** 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 **Unified School District No. 470, Arkansas City, Kansas'** 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, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements, and district activity funds schedules of regulatory basis cash receipts, expenditures, and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 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.

Board of Education
Unified School District No. 470

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Unified School District No. 470, Arkansas City, Kansas**, as of and for the year ended June 30, 2022, and have issued our report thereon dated February 15, 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/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2022 (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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, on our consideration of **Unified School District No. 470, Arkansas City, Kansas'** 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 **Unified School District No. 470, Arkansas City, Kansas'** 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 **Unified School District No. 470, Arkansas City, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC
BFR CPA, LLC
November 17, 2023

UNIFIED SCHOOL DISTRICT NO. 470
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 23,800,545	$ 23,800,545	$ 0	$ 45,840	$ 45,840
Special Purpose Funds						0	
Supplemental General	239,301	0	7,180,914	7,331,881	88,334	99,816	188,150
Preschool-Aged At-Risk	0	0	197,577	197,577	0	0	0
At Risk (K-12)	0	0	6,610,200	6,111,016	499,184	4,285	503,469
Bilingual Education	0	0	176,833	176,833	0	0	0
Virtual Education	0	0	180,906	119,675	61,231	0	61,231
Capital Outlay	1,513,360	0	2,210,349	3,045,318	678,391	484,029	1,162,420
Driver Training	37,200	0	58,120	31,789	63,531	0	63,531
Food Service	1,054,269	0	2,170,719	1,802,372	1,422,616	1,407	1,424,023
Professional Development	115,000	0	51,335	41,335	125,000	0	125,000
Summer School	50,000	0	50,000	1,856	98,144	0	98,144
Special Education	714,036	0	5,058,544	4,831,705	940,875	0	940,875
Career and Postsecondary Education	100,059	0	653,220	653,279	100,000	0	100,000
KPERS Contribution	0	0	3,131,411	3,131,411	0	0	0
Recreation Commission	16,115	0	689,770	640,319	65,566	0	65,566
Recreation Commission Employee Benefits & Special Liability	43,849	0	172,629	160,000	56,478	0	56,478
Federal Funds	(111,437)	1,502	5,530,077	5,820,472	(400,330)	537,131	136,801
Gifts and Grants	277,473	0	148,933	237,304	189,102	0	189,102
Contingency Reserve	300,000	0	0	0	300,000	0	300,000
Textbook & Student Material Revolving	301,004	0	47,510	46,362	302,152	0	302,152
District Activity Funds	95,741	24,114	579,788	638,237	61,406	0	61,406
Bond & Interest Fund	5,309,176	0	6,570,940	6,728,321	5,151,795	0	5,151,795
	$ 10,055,146	$ 25,616	$ 65,270,320	$ 65,547,607	$ 9,803,475	$ 1,172,508	$ 10,975,983

Composition of Cash:	
Checking and Money Market Accounts	$ 10,776,708
Certificate of Deposit	74,036
Investments	420,800
	11,271,544
Agency Funds	(295,561)
	$ 10,975,983

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

UNIFIED SCHOOL DISTRICT NO. 470
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Unified School District No. 470 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Arkansas City, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

Agency Funds-funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

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

The 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 accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

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 & interest 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

The 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. There were no amendments to the budget for the year ended June 30, 2023.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the 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:

Federal Funds	Gifts and Grants Fund	Contingency Reserve Fund
Textbook & Student Material Revolving Fund		District Activity Funds

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 - Defined Benefit Pension Plan:

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

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

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

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual paymentsof $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 SenateBill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal Years 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 $3,131,411 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 $28,036,090. 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 above.

Note 3 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:											
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Virtual Education	Driver Training	Food Service	Professional Development	Summer School	Special Education	Career and Postsecondary Education	Textbook & Student Material Revolving	Total
General Fund	$ 126,906	$ 5,243,372	$ 14,046	$ 57,318	$ 0	$ 0	$ 0	$ 0	$ 3,289,248	$ 275,975	$ 0	$ 9,006,865
Supplemental General Fund	70,671	1,366,828	162,787	123,588	50,000	764	46,606	50,000	1,769,296	377,245	45,000	4,062,785
	$ 197,577	$ 6,610,200	$ 176,833	$ 180,906	$ 50,000	$ 764	$ 46,606	$ 50,000	$ 5,058,544	$ 653,220	$ 45,000	$ 13,069,650

Note 4 - Reimbursed Expenditures:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Note 5 - Deposits and Investments:

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

Investment Type	Fair Value	Rating
Kansas Municipal Investment Pool	$ 420,800	N/A

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.

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. The rating of the District's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2023, is as follows:

Investment Type	Investments
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may 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%. All deposits were legally secured at June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $10,850,744 and the bank balance was $13,243,845. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $574,036 was covered by federal depository insurance and the remaining $12,669,809 was collateralized with 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 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.

At June 30, 2023, the District had invested $420,800 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investments Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 6 - Postemployment 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 the 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.

Paid Leave for Classified Employees

The District grants 12-month employees 2 weeks paid vacation. Vacation pay is figured on a 40-hour week, unless the employee's work week is less than 40 hours in which case it will be figured on the average hours worked. After 8 consecutive years employed by the District, 3 weeks paid vacation will be granted. No vacation days will be carried forward beyond June 30 of the year following the one in which the vacation days were accrued. No vacation days will be paid upon termination or retirement.

The District grants various positions paid leave days at the rate of 1 day per month: 12-month employees receive 12 days per year, and other full-time employees receive 9 days per year. No paid leave days will be paid upon termination or retirement for classified employees.

Paid Leave for Certified Employees

The District grants each full-time teacher 12 paid leave days per year, accumulative to 90 days. Half-time teachers will be granted the same number of half days of paid leave as full-time teachers are granted full days of paid leave. Teachers working other than full time or half-time shall be granted a prorated number of paid leave days. If a teacher is on extended contract, they will be granted 1 additional day of paid leave for each month beyond the regular 9-month contract. All leave days per contract year may be used for either personal or paid leave. At the end of each contracted school year, the full-time teacher who has an accumulated paid leave in excess of 78 days shall receive $100.00 per day for each unused day of paid leave accumulated. At the time of retirement, a teacher shall be compensated for all days of unused accumulated paid leave at the rate of $100.00 per day.

Early Retirement

The District provides an early retirement/phase-out option plan to administrators and certified staff. A teacher is eligible for the phase-out option if such employee was employed as a full-time teacher in a certified position by the District during the 2019-2020 contract year. A certified employee is eligible for early retirement if such employee is not more than the age to receive full social security benefits the year that early retirement benefits would begin, will simultaneously be drawing retirement benefits from KPERS, and meets 1 of the 3 sets of requirements listed below:

1. Has 20 or more years of service with the District and has accumulated 85 service points as defined by the Kansas Public Employees' Retirement System. The benefits will not exceed 6 payments.

2. Is 55 years of age, inclusive, on July 1 of the year that early retirement benefits would begin, has at least 10 years of experience with the District, and has accumulated 85 service points as defined by the Kansas Public Employees' Retirement System. The benefits will not exceed 6 payments.

3. Is 60 years of age, inclusive, on July 1 of the year that early retirement benefits would begin, has 10 or more years of service with the District, and was on contract prior to the 2008-2009 school year.

The early retirement benefits paid to an eligible employee are as follows:

1. An eligible employee with 20 or more years of service to the District will receive an annual stipend of $5,000 through the school year in which he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

2. An eligible employee age 55, inclusive, with at least 15 years of service with the District will receive an annual stipend of $4,000 through the school year inwhich he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

3. An eligible employee age 55, inclusive, with at least 10 years of service to the District will receive an annual stipend of $3,000 through the school year in which he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

The District recorded expenditures for early retirement benefits of $87,333 for 15 former employees for the year ended June 30, 2023.

Note 7 - Contingencies:

Grant Programs
The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

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; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 8 - Advance Refunding of Bond Obligation:

On December 30, 2020, the District issued $14,730,000 of General Obligation Bonds Series 2020 with interest rates ranging from 0.3% to 0.9%. This bond will refund $5,170,000 of General Obligation Bond Series 2013 of maturities to be redeemed September 1, 2023. As of June 30, 2023, $5,170,000 of the 2013 bonds outstanding are considered defeased and are not included in long-term debt below.

Note 9 - Subsequent Events:

The District has evaluated subsequent events through November 17, 2023, the date which the financial statement was available to be issued.

Note 10 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	2.45 - 4.75	12/27/2012	$ 8,960,000	9/1/2027
2013 Series	2.49 - 4.60	4/19/2013	$ 9,555,000	9/1/2028
2014 Series	2.00 - 4.00	7/24/2014	$ 9,300,000	9/1/2025
2015 Series	2.00 - 4.00	4/30/2015	$ 8,135,000	9/1/2023
2020 Series	0.30 - 0.90	12/30/2020	$ 14,730,000	9/1/2025

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	$ 335,000	$ 0	$ 80,000	$ 255,000	$ 5,750
2013 Series	3,970,000	0	145,000	3,825,000	82,362
2014 Series	4,100,000	0	180,000	3,920,000	117,119
2015 Series	6,100,000	0	2,850,000	3,250,000	155,750
2020 Series	11,450,000	0	3,045,000	8,405,000	67,340
	$ 25,955,000	$ 0	$ 6,300,000	$ 19,655,000	$ 428,321

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

	Principal	Interest	Total Principal and Interest
2024	$ 6,425,000	$ 304,569	$ 6,729,569
2025	6,550,000	175,624	6,725,624
2026	6,680,000	54,789	6,734,789
	$ 19,655,000	$ 534,982	$ 20,189,982

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 470
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 24,148,163	$ (494,966)	$ 147,348	$ 23,800,545	$ 23,800,545	$ 0
Special Purpose Funds						
Supplemental General	7,510,241	(177,472)	0	7,332,769	7,331,881	(888)
Preschool-Aged At-Risk	198,000	0	0	198,000	197,577	(423)
At Risk (K-12)	6,111,016	0	0	6,111,016	6,111,016	0
Bilingual Education	220,381	0	0	220,381	176,833	(43,548)
Virtual Education	119,675	0	0	119,675	119,675	0
Capital Outlay	3,226,735	0	0	3,226,735	3,045,318	(181,417)
Driver Training	53,100	0	0	53,100	31,789	(21,311)
Food Service	2,055,459	0	0	2,055,459	1,802,372	(253,087)
Professional Development	157,250	0	0	157,250	41,335	(115,915)
Summer School	70,000	0	0	70,000	1,856	(68,144)
Special Education	5,849,477	0	0	5,849,477	4,831,705	(1,017,772)
Career and Postsecondary Education	800,059	0	0	800,059	653,279	(146,780)
KPERS Contribution	3,235,018	0	0	3,235,018	3,131,411	(103,607)
Recreation Commission	640,319	0	0	640,319	640,319	0
Recreation Commission Employee Benefits & Special Liability	160,000	0	0	160,000	160,000	0
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	5,820,472	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	237,304	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	46,362	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	638,237	XXXXXXXXXX
Bond & Interest Fund	6,728,321	0	0	6,728,321	6,728,321	0
	$ 61,283,214	$ (672,438)	$ 147,348	$ 60,758,124	$ 65,547,607	$ (1,952,892)

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 133,019	$ 147,348	$ 0	$ 147,348
County Sources	0	144	0	144
State Sources	22,866,459	23,653,053	24,148,163	(495,110)
	22,999,478	23,800,545	$ 24,148,163	$ (347,618)
Expenditures				
Instruction	8,863,478	9,293,983	$ 8,663,356	$ 630,627
Student Support Services	734,593	636,190	710,894	(74,704)
Instructional Support Staff	1,512,883	1,124,183	1,472,871	(348,688)
General Administration	599,566	608,641	574,727	33,914
School Administration	1,750,169	1,860,648	1,716,217	144,431
Central Services	135,024	160,801	128,497	32,304
Operations & Maintenance	575,266	92,934	563,093	(470,159)
Student Transportation Services	900,316	1,003,365	900,318	103,047
Community Services Operations	16,682	12,935	16,682	(3,747)
Transfers	7,911,501	9,006,865	9,401,508	(394,643)
Adjustment to Comply with Legal Max	0	0	(494,966)	494,966
Adjustment for Qualifying Budget Credits	0	0	147,348	(147,348)
	22,999,478	23,800,545	$ 23,800,545	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,681,815	$ 1,619,290	$ 1,495,885	$ 123,405
County Sources	220,396	229,234	233,109	(3,875)
State Sources	5,181,579	5,332,390	5,461,447	(129,057)
	7,083,790	7,180,914	$ 7,190,441	$ (9,527)
Expenditures				
Instruction	33,000	437,183	$ 66,000	$ 371,183
Instructional Support Staff	0	342,991	0	342,991
General Administration	0	17,700	0	17,700
Operations & Maintenance	2,786,289	2,348,659	3,417,425	(1,068,766)
Student Transportation Services	0	0	370,000	(370,000)
Other Support Services	657	0	381,200	(381,200)
Facility Acquisition & Construction Services	326,437	122,563	18,000	104,563
Transfers	3,885,207	4,062,785	3,257,616	805,169
Adjustment to Comply with Legal Max	0	0	(177,472)	177,472
	7,031,590	7,331,881	$ 7,332,769	$ (888)
Receipts Over (Under) Expenditures	52,200	(150,967)		
Unencumbered Cash, Beginning	187,101	239,301		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 239,301	$ 88,334		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Preschool-Aged At-Risk Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 190,694	$ 197,577	$ 198,000	$ (423)
	190,694	197,577	$ 198,000	$ (423)
Expenditures				
Instruction	190,694	197,577	$ 198,000	$ (423)
	190,694	197,577	$ 198,000	$ (423)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

At Risk (K-12) Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 5,296,147	$ 6,610,200	$ 6,111,016	$ 499,184
	5,296,147	6,610,200	$ 6,111,016	$ 499,184
Expenditures				
Instruction	5,295,072	6,111,004	$ 6,079,906	$ 31,098
Student Transportation Services	1,075	12	31,110	(31,098)
	5,296,147	6,111,016	$ 6,111,016	$ 0
Receipts Over (Under) Expenditures	0	499,184		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 499,184		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 215,376	$ 176,833	$ 220,381	$ (43,548)
	215,376	176,833	$ 220,381	$ (43,548)
Expenditures				
Instruction	215,376	176,833	$ 220,381	$ (43,548)
	215,376	176,833	$ 220,381	$ (43,548)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 114,283	$ 180,906	$ 119,675	$ 61,231
	114,283	180,906	$ 119,675	$ 61,231
Expenditures				
Instruction	114,283	119,675	$ 119,675	$ 0
	114,283	119,675	$ 119,675	$ 0
Receipts Over (Under) Expenditures	0	61,231		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 61,231		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,337,730	$ 1,358,168	$ 911,429	$ 446,739
County Sources	106,345	112,798	114,460	(1,662)
State Sources	653,504	739,383	747,892	(8,509)
	2,097,579	2,210,349	$ 1,773,781	$ 436,568
Expenditures				
Instruction	317,897	276,183	$ 472,214	$ (196,031)
Student Support Services	1,367	5,074	2,500	2,574
Instructional Support Staff	462,743	139,991	265,317	(125,326)
General Administration	0	0	175,452	(175,452)
School Administration	0	0	360,513	(360,513)
Operations & Maintenance	34,186	1,665,230	0	1,665,230
Other Support Services	57,909	127,968	104,236	23,732
Facility Acquisition & Construction Services	1,164,575	830,872	1,846,503	(1,015,631)
	2,038,677	3,045,318	$ 3,226,735	$ (181,417)
Receipts Over (Under) Expenditures	58,902	(834,969)		
Unencumbered Cash, Beginning	1,454,458	1,513,360		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,513,360	$ 678,391		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 7,200	$ 0	$ 0	$ 0
State Sources	4,148	8,120	8,100	20
Transfers	8,024	50,000	15,000	35,000
	19,372	58,120	$ 23,100	$ 35,020
Expenditures				
Instruction	5,275	31,689	$ 52,300	$ (20,611)
Vehicle Operations, Maintenance Services	334	100	800	(700)
	5,609	31,789	$ 53,100	$ (21,311)
Receipts Over (Under) Expenditures	13,763	26,331		
Unencumbered Cash, Beginning	23,437	37,200		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 37,200	$ 63,531		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Food Service Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 59,105	$ 256,277	$ 262,300	$ (6,023)
State Sources	12,509	14,913	5,768	9,145
Federal Sources	1,979,004	1,898,765	731,811	1,166,954
Transfers	1,299	764	1,311	(547)
	2,051,917	2,170,719	$ 1,001,190	$ 1,169,529
Expenditures				
Operations & Maintenance	24,027	34,235	$ 413,350	$ (379,115)
Food Service Operation	1,595,042	1,768,137	1,642,109	126,028
	1,619,069	1,802,372	$ 2,055,459	$ (253,087)
Receipts Over (Under) Expenditures	432,848	368,347		
Unencumbered Cash, Beginning	621,421	1,054,269		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,054,269	$ 1,422,616		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 0	$ 4,729	$ 17,250	$ (12,521)
Transfers	18,804	46,606	25,000	21,606
	18,804	51,335	$ 42,250	$ 9,085
Expenditures				
Instructional Support Staff	15,235	41,335	$ 92,250	$ (50,915)
Central Services	0	0	20,000	(20,000)
Other Support Services	0	0	45,000	(45,000)
	15,235	41,335	$ 157,250	$ (115,915)
Receipts Over (Under) Expenditures	3,569	10,000		
Unencumbered Cash, Beginning	111,431	115,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 115,000	$ 125,000		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Summer School Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 10,763	$ 50,000	$ 20,000	$ 30,000
	10,763	50,000	$ 20,000	$ 30,000
Expenditures				
Instruction	8,791	1,856	$ 70,000	$ (68,144)
	8,791	1,856	$ 70,000	$ (68,144)
Receipts Over (Under) Expenditures	1,972	48,144		
Unencumbered Cash, Beginning	48,028	50,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 50,000	$ 98,144		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Federal Sources	$ 80,035	$ 0	$ 0	$ 0
Transfers	5,078,683	5,058,544	5,135,441	(76,897)
	5,158,718	5,058,544	$ 5,135,441	$ (76,897)
Expenditures				
Instruction	5,049,275	4,762,434	$ 5,753,477	$ (991,043)
Operations & Maintenance	0	0	10,000	(10,000)
Student Transportation Services	60,332	69,271	86,000	(16,729)
	5,109,607	4,831,705	$ 5,849,477	$ (1,017,772)
Receipts Over (Under) Expenditures	49,111	226,839		
Unencumbered Cash, Beginning	664,925	714,036		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 714,036	$ 940,875		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 677,635	$ 653,220	$ 700,000	$ (46,780)
	677,635	653,220	$ 700,000	$ (46,780)
Expenditures				
Instruction	667,576	653,279	$ 800,059	$ (146,780)
	667,576	653,279	$ 800,059	$ (146,780)
Receipts Over (Under) Expenditures	10,059	(59)		
Unencumbered Cash, Beginning	90,000	100,059		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 100,059	$ 100,000		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

KPERS Contribution Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 2,888,409	$ 3,131,411	$ 3,235,018	$ (103,607)
	2,888,409	3,131,411	$ 3,235,018	$ (103,607)
Expenditures				
Instruction	1,943,541	2,150,630	$ 2,187,895	$ (37,265)
Student Support Services	142,051	148,575	156,256	(7,681)
Instructional Support Staff	169,577	173,675	186,534	(12,859)
General Administration	73,346	80,539	80,680	(141)
School Administration	211,317	234,833	239,500	(4,667)
Central Services	14,490	16,162	15,939	223
Operations & Maintenance	202,819	199,480	223,820	(24,340)
Student Transportation Services	104,032	96,966	114,435	(17,469)
Food Service Operation	27,236	30,551	29,959	592
	2,888,409	3,131,411	$ 3,235,018	$ (103,607)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 561,168	$ 618,834	$ 588,406	$ 30,428
County Sources	73,525	70,936	72,092	(1,156)
	634,693	689,770	$ 660,498	$ 29,272
Expenditures				
Community Service Operations	645,000	640,319	$ 640,319	$ 0
	645,000	640,319	$ 640,319	$ 0
Receipts Over (Under) Expenditures	(10,307)	49,451		
Unencumbered Cash, Beginning	26,422	16,115		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 16,115	$ 65,566		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Recreation Commission Employee Benefits & Special Liability Fund

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 157,171	$ 151,472	$ 143,615	$ 7,857
County Sources	22,418	21,157	21,472	(315)
	179,589	172,629	$ 165,087	$ 7,542
Expenditures				
Community Service Operations	150,000	160,000	$ 160,000	$ 0
	150,000	160,000	$ 160,000	$ 0
Receipts Over (Under) Expenditures	29,589	12,629		
Unencumbered Cash, Beginning	14,260	43,849		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 43,849	$ 56,478		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Bond & Interest Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,415,770	$ 1,560,924	$ 1,470,521	$ 90,403
County Sources	209,183	171,668	174,536	(2,868)
State Sources	5,000,805	4,838,348	4,978,958	(140,610)
	6,625,758	6,570,940	$ 6,624,015	$ (53,075)
Expenditures				
Debt Service	6,757,856	6,728,321	$ 6,728,321	$ 0
	6,757,856	6,728,321	$ 6,728,321	$ 0
Receipts Over (Under) Expenditures	(132,098)	(157,381)		
Unencumbered Cash, Beginning	5,441,274	5,309,176		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 5,309,176	$ 5,151,795		

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 5,233	$ 0
Federal Sources	4,292,268	5,530,077
	4,297,501	5,530,077
Expenditures		
Instruction	3,422,465	5,132,195
Student Support Services	165,016	140,639
Instructional Support Staff	89,553	237,565
General Administration	88,425	72,902
School Administration	144,596	144,757
Operations & Maintenance	37,133	61,861
Student Transportation Services	52,250	19,695
Food Service Operation	0	6,358
Community Service Operations	4,554	4,500
	4,003,992	5,820,472
Receipts Over (Under) Expenditures	293,509	(290,395)
Unencumbered Cash, Beginning	(404,946)	(111,437)
Prior Year Canceled Encumbrances	0	1,502
Unencumbered Cash, Ending	$ (111,437)	$ (400,330)

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 300,926	$ 100,096
State Sources	0	48,837
	300,926	148,933
Expenditures		
Instruction	34,365	136,478
Instructional Support Staff	49,947	51,989
Central Services	0	48,837
	84,312	237,304
Receipts Over (Under) Expenditures	216,614	(88,371)
Unencumbered Cash, Beginning	60,859	277,473
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 277,473	$ 189,102

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 75,000	$ 0
	75,000	0
Expenditures		
Transfers	0	0
	0	0
Receipts Over (Under) Expenditures	75,000	0
Unencumbered Cash, Beginning	225,000	300,000
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 300,000	$ 300,000

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

Textbook & Student Material
Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 3,108	$ 2,510
Transfers	110,000	45,000
	113,108	47,510
Expenditures		
Instruction	96,241	38,349
Support Services	15,863	8,013
	112,104	46,362
Receipts Over (Under) Expenditures	1,004	1,148
Unencumbered Cash, Beginning	300,000	301,004
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 301,004	$ 302,152

UNIFIED SCHOOL DISTRICT NO. 470
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Prom	$ 5,924	$ 6,429	$ 9,006	$ 3,347
ACHS Native American Club	516	0	0	516
Musical	921	8,264	8,346	839
A.C. Players Club	(34)	101	100	(33)
ACHS Tennis Club	421	1,917	1,659	679
Available	22	0	22	0
Spring Play	(628)	4,071	1,717	1,726
Basketball Club	1,094	6,947	4,705	3,336
ACHS Spike Ball Club	554	0	0	554
Multicultural Club	1,092	82	101	1,073
Cheerleaders	7,105	7,189	9,204	5,090
21st Century Leadership	119	500	78	541
Restoration Fund	100	0	0	100
FCA	3,291	500	261	3,530
Golf Club	1,875	1,280	1,589	1,566
Weight Lifting	1,418	2,403	2,872	949
In Housing Training	4,969	363	1,355	3,977
Kay's	508	1,795	731	1,572
NFL	1,209	0	446	763
NHS	167	3,078	2,900	345
ACHS Danceline	895	4,692	2,862	2,725
Cross Country	2,649	1,275	1,618	2,306
SADD	7,766	1,148	680	8,234
DAWGS 4 DAWGS	48	0	0	48
Special Club	2	0	0	2
Stuco	3,006	6,780	8,850	936
Track Club	2,978	4,455	5,296	2,137
	47,987	63,269	64,398	46,858

UNIFIED SCHOOL DISTRICT NO. 470
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School (Continued)				
Skills USA/VICA	1,622	4,404	4,383	1,643
Usherettes	5	1,875	5	1,875
Vocal Music	7,646	7,248	9,379	5,515
Hope Squad	0	703	0	703
Girls Soccer Club	353	0	0	353
Scholar's Bowl	172	148	172	148
Volleyball Club	3,978	6,064	6,949	3,093
Flag Color Guard	1,116	643	1,119	640
Community Base Instruction	12	0	0	12
Bill Weston Woods Memorial	224	0	0	224
Girls Softball Club	3,038	5,029	4,679	3,388
Baseball Club	5,782	11,422	13,046	4,158
Industrial Tech SMA	0	2,342	2,272	70
Returned Checks	17	241	245	13
Bull Live	324	0	0	324
Health Sciences Club	1,324	0	0	1,324
Animation Club	949	0	0	949
Wrestling	4,061	14,675	17,070	1,666
Football	11,449	15,585	15,380	11,654
ACHS Travel Club	498	0	0	498
Boys Soccer Club	1,353	2,601	2,228	1,726
FCCLA	365	0	224	141
FBLA	2,332	40	94	2,278
Girls Basketball Club	5,658	1,225	3,570	3,313
Bulldog Band Club	6,577	90,529	91,629	5,477
Freshman Academy	1,886	330	1,773	443
Gay/Straight Alliance	650	624	406	868
Class of 2020	1,346	0	0	1,346
Class of 2017	952	300	522	730
Class of 2015	205	0	0	205
Class of 2016	1,242	0	0	1,242
	65,136	166,028	175,145	56,019

UNIFIED SCHOOL DISTRICT NO. 470
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School (Continued)				
Class of 2019	1,841	0	0	1,841
Class of 2024	4,457	(2,170)	150	2,137
Class of 2013	357	0	0	357
Class of 2018	1,403	0	0	1,403
Class of 2021	1,691	0	0	1,691
Class of 2022	1,229	0	0	1,229
Class of 2027	218	90	308	0
Class of 2023	2,215	0	1,191	1,024
Class of 2026	0	1,039	0	1,039
Class of 2025	2,229	5,216	0	7,445
Driver Education	0	8,040	134	7,906
Purple Pride	3,569	999	0	4,568
Historical Room	369	0	0	369
Horticulture	749	83	0	832
School Counts	835	0	0	835
Student Benevolence	71	0	0	71
Arklight	264	0	215	49
FFA	12,320	53,311	53,143	12,488
Mirror	2,219	5,264	6,256	1,227
Sales Tax	2,181	20,312	20,334	2,159
Iden Scholarship	3,511	1	0	3,512
Jackson Memorial	915	0	0	915
Home Economics Scholarship	898	1	0	899
Industrial Tech Scholarship	10,204	5	0	10,209
Kays Scholarship	20	0	0	20
Childers/Blatchford FFA	16,515	8	0	16,523
Amos & Mary Davis Scholarship	1	0	0	1
Jodi Sanderholm	8	0	0	8
Rhett Lathers M	8,015	4,750	0	12,765
Welding SMA	0	225	225	0
Music Festival	852	2,743	2,141	1,454
	192,279	329,214	323,640	197,853

UNIFIED SCHOOL DISTRICT NO. 470
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Middle School				
Cheerleaders	546	0	224	322
Instrument Rent Fees	450	0	0	450
Kay's Account	653	9,810	8,573	1,890
Lost PE Locks	1,222	0	1,222	0
Art Club	2	0	0	2
Miscellaneous Account	1,650	1,646	1,433	1,863
Music Instrumental/Vocal	697	0	437	260
Parent Group	51	0	0	51
7th/8th Grade Sewing Kits	510	1,495	1,931	74
Student Activities	803	0	0	803
Student Council	1,805	287	368	1,724
Crimestoppers Program	174	0	0	174
Library Book Fairs	357	6,356	5,460	1,253
Principal's Activity Fund	4,230	6,603	9,436	1,397
FCA	3,090	3,600	1,055	5,635
Student Welfare Account	947	0	79	868
Orchestra	392	0	339	53
SADD	1,917	0	208	1,709
Faculty Fund	63	0	41	22
Athletics	1,472	9,193	9,463	1,202
Sales Tax	(1,093)	1,708	1,682	(1,067)
	19,938	40,698	41,951	18,685
Endowment Funds	77,899	8,319	7,195	79,023
Total Agency Funds	$ 290,116	$ 378,231	$ 372,786	$ 295,561

UNIFIED SCHOOL DISTRICT NO. 470
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2023

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Arkansas City High School							
Activities	$ 105,521	$ 5,003	$ 386,309	$ 442,582	$ 54,251	$ 0	$ 54,251
Athletics	(10,868)	19,111	193,479	195,432	6,290	0	6,290
Library Copies	1,088	0	0	223	865	0	865
Total District Activity Funds	$ 95,741	$ 24,114	$ 579,788	$ 638,237	$ 61,406	$ 0	$ 61,406

FEDERAL AWARD INFORMATION

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

Board of Education
Unified School District No. 470
Arkansas City, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 470, Arkansas City, Kansas**, as of and for the year ended **June 30, 2023**, and the related notes to the financial statement, which collectively comprise **Unified School District No. 470, Arkansas City, Kansas'** basic financial statement, and have issued our report thereon dated November 17, 2023. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Unified School District No. 470, Arkansas City, Kansas'** 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 470, Arkansas City, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 470, Arkansas City, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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.

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Board of Education
Unified School District No. 470

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 470, Arkansas City, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 result 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.

BFR CPA, LLC
BFR CPA, LLC
November 17, 2023

BFR

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

Board of Education
Unified School District No. 470
Arkansas City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 470, Arkansas City, Kansas'** 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 **Unified School District No. 470, Arkansas City, Kansas'** major federal programs for the year ended **June 30, 2023**. **Unified School District No. 470, Arkansas City, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Unified School District No. 470, Arkansas City, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2023**.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of **Unified School District No. 470, Arkansas City, Kansas** 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Unified School District No. 470, Arkansas City, Kansas'** compliance with the compliance requirements referred to above.

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Board of Education
Unified School District No. 470

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 **Unified School District No. 470, Arkansas City, Kansas'** major federal programs.

Auditors' 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 **Unified School District No. 470, Arkansas City, Kansas'** 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Unified School District No. 470, Arkansas City, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 **Unified School District No. 470, Arkansas City, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Unified School District No. 470, Arkansas City, Kansas'** 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 **Unified School District No. 470, Arkansas City, Kansas'** 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.

Board of Education
Unified School District No. 470

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 major 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 major 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 major 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 Auditors' 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 weakness 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BFR CPA, LLC

BFR CPA, LLC
November 17, 2023

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Grant Title	Assistance Listing Number	Program Amount	Expenditures
Department of Health and Human Services			
Head Start Cluster-Cluster			
Head Start	93.600	$ 1,865,297	$ 1,836,113
(Passes Through Kansas Department of Education)			
Department of Agriculture			
Child Nutrition Cluster-Cluster			
School Breakfast Program	10.553	437,061	437,061
National School Lunch Program	10.555	1,243,852	1,147,460
Summer Food Service Program for Children	10.559	96,963	96,963
		1,777,876	1,681,484
Child and Adult Care Food Program	10.558	120,888	120,888
		1,898,764	1,802,372
Department of Education			
Title I Grants to Local Educational Agencies	84.010	803,523	803,523
Career and Technical Education - Basic Grants to States	84.048	48,158	48,033
English Language Acquisition State Grants	84.365	54,885	54,885
Supporting Effective Instruction State Grants	84.367	119,001	119,001
Student Support and Academic Enrichment Program	84.424	47,017	47,017
COVID-19 Education Stabilization Fund	84.425D	3,134,692	888,008
COVID-19 Education Stabilization Fund	84.425U	5,684,987	1,914,518
		9,892,263	3,874,985
Department of Health and Human Services			
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	87,721	87,721
Every Student Succeeds Act/Preschool Development Grants	93.434	20,152	20,152
		107,873	107,873
Total Federal Awards		$ 13,764,197	$ 7,621,343

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 470
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 470, Arkansas City, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the 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).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Unified School District No. 470, Arkansas City, Kansas**.

2. No significant deficiencies or material weaknesses were reported in the Independent Auditors' 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*.

3. No instances of noncompliance material to the financial statement of **Unified School District No. 470, Arkansas City, Kansas**, were disclosed during the audit.

4. No significant deficiencies or material weakness were reported in the Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award programs for **Unified School District No. 470, Arkansas City, Kansas**, expresses an unmodified opinion on all major federal programs.

6. There were no audit findings relative to the major federal award programs for **Unified School District No. 470, Arkansas City, Kansas**.

7. The programs tested as major programs were:

Title I Grants to Local Educational Agencies	84.010
COVID-19 Education Stabilization Fund	84.425D
COVID-19 Education Stabilization Fund	84.425U
Head Start Cluster-Cluster	
Head Start	93.600

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

9. **Unified School District No. 470, Arkansas City, Kansas**, was determined not to be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

There are no prior audit findings.