UNIFIED SCHOOL DISTRICT NO. 348

Baldwin City, Kansas

Financial Statements

For the Year Ended June 30, 2024

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UNIFIED SCHOOL DISTRICT NO. 348
Financial Statements
For the Year Ended June 30, 2024

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Financial Statements
For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 348
Baldwin City, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 348, Baldwin City, Kansas, (the District), as of and for the year ended June 30, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse and Unmodified Opinions" section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Other Matters
Other Matter

The 2023 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents), is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated December 11, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipalservices. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 2, 2024

UNIFIED SCHOOL DISTRICT NO. 348
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 10,729,987	$ 10,729,987	$ -	$ 711,581	$ 711,581
Supplemental General	142,462	-	3,303,344	3,331,003	114,803	-	114,803
Special Purpose Funds:							
At Risk (4 Year Old)	17,685	-	70,793	80,834	7,644	-	7,644
At Risk (K-12)	67,020	-	1,064,915	1,099,301	32,634	177,686	210,320
Bilingual Education	642	-	4,166	4,286	522	-	522
Virtual Education	40,000	-	108,893	93,673	55,220	-	55,220
Capital Outlay	1,092,532	9,068	1,500,528	1,662,917	939,212	273,761	1,212,973
Driver Training	22,654	-	30,090	25,268	27,476	-	27,476
Food Service	511,554	192	814,345	838,063	488,028	-	488,028
Professional Development	22,724	-	34,413	16,396	40,741	-	40,741
Parent Education Program	46,127	-	222,469	212,231	56,365	10,357	66,722
Special Education	610,114	-	2,747,833	2,671,060	686,887	-	686,887
Career and Postsecondary Education	286,617	-	487,861	420,197	354,281	50,305	404,586
KPERS Special Retirement Contribution	-	-	1,099,600	1,099,600	-	-	-
Contingency Reserve	274,459	-	83,360	-	357,819	-	357,819
Textbook and Student Material Revolving	132,164	1,500	430,998	261,829	302,833	8,348	311,181
Recreation Commission	-	-	591,771	591,771	-	-	-
Recreation Commission Employee Benefits	-	-	147,910	147,910	-	-	-
Gifts and Grants	6,343	7,919	62,268	56,155	20,375	9,109	29,484
Federal Grants	[267,297]	1,550	794,103	590,395	[62,039]	100,053	38,014
Gate Receipts	22,902	-	120,831	123,216	20,517	-	20,517
School Projects	52,096	-	191,154	195,047	48,203	-	48,203
Bond and Interest Fund:							
Bond and Interest	4,099,684	-	2,691,282	2,530,069	4,260,897	-	4,260,897
Total	$ 7,180,483	$ 20,229	$ 27,332,914	$ 26,781,208	$ 7,752,418	$ 1,341,200	$ 9,093,618

Composition of Cash:	
Kansas State Bank	
Checking Accounts	$ 9,229,899
Total Cash	9,229,899
Less: Agency Funds per Schedule 3	[136,281]
Total Reporting Entity (excluding Agency Funds)	$ 9,093,618

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

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 348 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the primary government financial statements and do not include all the entities for which the District is considered to be financially accountable, as required by generally accepted accounting principles. A primary government is a legal entity or public politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as related municipal entities. The Recreation Commission financial data is not included as a related municipal entity in these financial statements.

The Baldwin City Recreation Commission is a joint recreation system established by the District and the City of Baldwin, Kansas, in accordance with K.S.A. 12-1925. The Commission oversees recreational activities. The tax funds for the operation of the Commission are levied by the District and are remitted to the Commission by the District. Bond issues for the Commission must be approved by the District. The Commission can sue and be sued. The acquisition of real property by the Commission must be approved by the District. The Commission as a related municipal entity is not included in these financial statements. A separate audited financial statement of the Recreation Commission can be obtained from the Recreation Commission.

The Baldwin Education Foundation is a not-for-profit corporation formed under the laws of the State of Kansas. The entity benefits the District's students by raising funds to be used for the students' benefit. The Foundation as a related municipal entity is not included in these financial statements.

Reimbursed Expenses

Expenditures in the amount of $127,440 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

In governmental accounting, 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.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2024:

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

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

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

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

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. The budget for the year ended June 30, 2024 was amended for the General Fund, At Risk (K-12) Fund and the Parent Education Program Fund.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality 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 the following special purpose funds: Contingency Reserve, Textbook & Student Material Revolving, Gifts and Grants, Gate Receipts, and School Projects.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

NOTE 2 - Deposits and Investments

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

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2024, the District no such investments.

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 City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured at June 30, 2024.

As of June 30, 2024, the District's carrying amount of deposits was $9,229,899 and the bank balance was $9,552,436. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and the balance of $9,302,436 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 the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2024.

NOTE 4 - Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57%, respectively, for the fiscal year ended June 30, 2024.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School -Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System. The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,099,600 for the year ended June 30, 2024.

Net Pension Liability. As of June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $10,018,527. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 5 - Compensated Absences

Classified. Twelve-month and ten-month employees hired prior to July 1, 2014, receive 16 and 14 discretionary days, respectively. Twelve-month and ten-month employees hired after July 1, 2014, receive 12 and 10 discretionary days, respectively. Any unused days shall convert to sick days and will be added to the employee's accumulated sick leave, up to a maximum of 65 days. Leave accrued after the 65-day maximum will be reimbursed at a rate of 60% of the certified substitute rate per day. Employees who have 10 years of service and retire or resign will be reimbursed at the rate of 60% of the certified substitute daily rate for all unused accumulated sick leave and employees who have 10 years of service and retire or resign will be reimbursed $10 per day for all unused accumulated sick leave.

A sick leave pool is available for employees to participate in at their discretion. A maximum of 15 days may be awarded from the sick leave pool to those members who have applied and are eligible. Twelve-month employees are eligible for vacation leave after completion of one year of continuous employment.

Vacation time allowed is based upon years of service. Vacation days must be taken by October 31, following the fiscal year in which the days were earned. Vacation days shall not be cumulative or reimbursable. However, after five years or service, employees may carry five vacation days over to the next fiscal year.

Certified. Each certified staff member shall be allowed 12 discretionary days per school year. Any unused days at the end of the school year shall become sick days and be added to the employee's accumulated sick leave. Sick leave can accrue to a maximum of 65 days. Teachers will be reimbursed at a rate equal to 60% of the daily substitute pay for sick leave accrued after the 65-day maximum.

A sick leave pool is available for all certified teaching staff members to participate in.

It is the District's policy to recognize the costs of compensated absences when actually paid.

NOTE 6 - Other Post-Employment Benefits

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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2024.

NOTE 7 - Flexible Benefit Plan (I.R.C. Section 125)

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following thirty days of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently, all benefits offered through the Plan involve insurance coverage.

NOTE 8 - Risk Management

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

NOTE 9 - Long-Term Debt

The following table summarizes changes in long-term debt for the year ended June 30, 2024:

Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
General Obligation Bonds:					
Series 2012	$ 2,370,000	$ -	$ 140,000	$ 2,230,000	$ 47,769
Series 2015	6,810,000	-	790,000	6,020,000	238,625
Series 2016	1,725,000	-	895,000	830,000	30,025
Series 2021	3,615,000	-	330,000	3,285,000	58,650
Total General Obligation Bonds	14,520,000	-	2,155,000	12,365,000	375,069
Finance Leases:					
BESIC Roof Replacement	94,249	-	94,249	-	418
Energy Conservation Improvements	1,605,000	-	125,000	1,480,000	53,664
BESIC HVAC Equipment	507,016	-	112,003	395,013	33,238
Total Finance Leases	2,206,265	-	331,252	1,875,013	87,320
Total Long Term Debt	$ 16,726,265	$ -	$ 2,486,252	$ 14,240,013	$ 462,388

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2024:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2024
General Obligation Bonds:					
Series 2012	12/27/2021	9/1/2026	2.00 - 2.15%	$ 7,560,000	$ 2,230,000
Series 2015	4/9/2015	9/1/2030	3.00 - 4.00%	8,685,000	6,020,000
Series 2016	9/7/2016	9/1/2024	2.00 - 3.00%	8,840,000	830,000
Series 2021	9/1/2021	9/1/2027	1.70%	3,935,000	3,285,000
				$ 29,020,000	$ 12,365,000

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 2,215,000	$ 324,181	$ 2,539,181
2026	2,255,000	270,516	2,525,516
2027	2,320,000	211,551	2,531,551
2028	2,375,000	156,423	2,531,423
2029	890,000	110,200	1,000,200
2030 - 2031	2,310,000	104,200	2,414,200
Total	$ 12,365,000	$ 1,177,071	$ 13,542,071

NOTE 9 - Long-Term Debt (Continued)

Finance Leases. The following table details the District's outstanding finance leases as of June 30, 2024:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2024
Finance Leases:					
Energy Conservation Improvements	5/1/2018	6/30/2034	3.48%	$ 2,035,000	$ 1,480,000
BESIC HVAC Equipment	3/31/2023	7/15/2027	5.00%	507,016	395,013
				$ 2,542,016	$ 1,875,013

The annual debt service requirements to maturity for the finance leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 250,216	$ 69,340	$ 319,556
2026	261,564	58,556	320,120
2027	273,233	47,277	320,510
2028	140,000	35,487	175,487
2029	145,000	30,528	175,528
2030 - 2034	805,000	72,102	877,102
Total	$ 1,875,013	$ 313,291	$ 2,188,303

Legal Debt Margin. The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The ratio of net bonded debt to the assessed valuation as of June 30, 2024, was 8.93%.

NOTE 10 - Interfund Transactions

Operating transfers were as follows:

From	To	Amount	Regulatory Authority
General	At Risk (4 Year Old)	$ 70,793	K.S.A. 72-5167
General	At Risk (K-12)	805,430	K.S.A. 72-5167
General	Virtual Education	15,000	K.S.A. 72-5167
General	Professional Development	20,000	K.S.A. 72-5167
General	Special Education	1,988,105	K.S.A. 72-5167
General	Parent Education Program	10,117	K.S.A. 72-5167
General	Career and Postsecondary Education	65,000	K.S.A. 72-5167
General	Contingency Reserve	83,360	K.S.A. 72-5167
General	Textbook & Student Material Revolving	150,000	K.S.A. 72-5167
General	Bilingual Education	2,500	K.S.A. 72-5167
Supplemental General	Bilingual Education	1,666	K.S.A. 72-5143
Supplemental General	At Risk (K-12)	259,485	K.S.A. 72-5143
Supplemental General	Virtual Education	93,893	K.S.A. 72-5143
Supplemental General	Special Education	599,624	K.S.A. 72-5143
Supplemental General	Career and Postsecondary Education	420,900	K.S.A. 72-5143
Supplemental General	Driver Training	10,000	K.S.A. 72-5143
Supplemental General	Professional Development	13,000	K.S.A. 72-5143
Supplemental General	Parent Education Program	94,917	K.S.A. 72-5143
		$ 4,703,790	

NOTE 11 - Statutory Violations

Actual exceeded budgeted expenditures in the Recreation Commission and Recreation Commission Employee Benefits funds during the year ended June 30, 2024, which is a violation of K.S.A. 79-2935.

NOTE 12 - Subsequent Events

On July 18, 2024, the District issued General Obligation Bonds, Series 2024, in the amount of $17,000,000. Proceeds of the bonds will be used to pay the costs to acquire, construct, equip, install, renovate and improve various buildings throughout the District. The bonds carry an interest rate of 5% and are scheduled to mature on September 1, 2044.

UNIFIED SCHOOL DISTRICT NO. 348
Summary of Expenditures - Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended June 30, 2024

Fund	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment For Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over [Under]
General Funds:						
General	$ 10,679,939	$ [77,392]	$ 127,440	$ 10,729,987	$ 10,729,987	$ -
Supplemental General	3,331,003	-	-	3,331,003	3,331,003	-
Special Purpose Funds:						
At Risk (4 Year Old)	137,176	-	-	137,176	80,834	[56,342]
At Risk (K-12)	1,131,536	-	-	1,131,536	1,099,301	[32,235]
Bilingual Education	4,579	-	-	4,579	4,286	[293]
Virtual Education	151,200	-	-	151,200	93,673	[57,527]
Capital Outlay	2,408,301	-	-	2,408,301	1,662,917	[745,384]
Driver Training	38,324	-	-	38,324	25,268	[13,056]
Food Service	1,318,634	-	-	1,318,634	838,063	[480,571]
Professional Development	30,224	-	-	30,224	16,396	[13,828]
Parent Education Program	271,644	-	-	271,644	212,231	[59,413]
Special Education	3,041,140	-	-	3,041,140	2,671,060	[370,080]
Career and Postsecondary Education	566,923	-	-	566,923	420,197	[146,726]
KPERS Special Retirement Contribution	1,229,620	-	-	1,229,620	1,099,600	[130,020]
Recreation Commission	565,000	-	-	565,000	591,771	26,771
Recreation Commission Employee Benefits	143,000	-	-	143,000	147,910	4,910
Federal Grants	347,640	-	-	347,640	590,395	242,755
Bond and Interest Fund						
Bond and interest	2,530,170	-	-	2,530,170	2,530,069	[101]

SCHEDULE 2-1

UNIFIED SCHOOL DISTRICT NO. 348
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid:				
General aid	$ 8,569,078	$ 9,137,291	$ 9,003,530	$ 133,761
Special education aid	1,701,526	1,465,213	1,533,296	[68,083]
Miscellaneous	371	43	-	43
Reimbursed expenses	109,431	127,440	-	127,440
Total Receipts	10,380,406	10,729,987	$ 10,536,826	$ 193,161
Expenditures				
Instruction	3,014,290	3,154,628	$ 2,988,961	$ 165,667
Student support services	312,263	316,006	753,509	[437,503]
Instructional support staff	360,655	350,793	390,733	[39,940]
General administration	253,752	297,491	446,754	[149,263]
School administration	915,593	949,490	965,131	[15,641]
Central services	331,239	326,692	344,630	[17,938]
Operations and maintenance	1,178,619	1,615,507	1,275,276	340,231
Transportation	473,591	509,075	516,301	[7,226]
Other support services	-	-	600	[600]
Community services operations	-	-	20,000	[20,000]
Transfer out	3,540,404	3,210,305	2,978,044	232,261
Adjustment to comply with legal max budget	-	-	[77,392]	77,392
Adjustment for qualifying budget credits	-	-	127,440	[127,440]
Total Expenditures	10,380,406	10,729,987	$ 10,729,987	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 348
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 978,209	$ 1,726,676	$ 1,829,511	$ [102,835]
Delinquent tax	20,752	14,818	7,271	7,547
Motor vehicle tax	171,126	144,874	148,275	[3,401]
Recreational vehicle tax	3,357	2,632	4,740	[2,108]
Commercial vehicle tax	-	-	3,993	[3,993]
State aid:				
Equalization aid	1,524,600	1,414,344	1,414,344	-
Transfer in	596,390	-	-	-
Total Receipts	3,294,434	3,303,344	$ 3,408,134	$ [104,790]
Expenditures				
Instruction	1,591,270	1,800,000	$ 2,549,139	$ [749,139]
Operations and maintenance	35,064	37,518	-	37,518
Transfer out	1,704,669	1,493,485	781,864	711,621
Total Expenditures	3,331,003	3,331,003	$ 3,331,003	$ -
Receipts Over [Under] Expenditures	[36,569]	[27,659]		
Unencumbered Cash, Beginning	179,031	142,462		
Unencumbered Cash, Ending	$ 142,462	$ 114,803		

See independent auditor's report on the financial statements.

SCHEDULE 2-3

UNIFIED SCHOOL DISTRICT NO. 348
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 105,256	$ 70,793	$ 119,489	$ [48,696]
Total Receipts	105,256	70,793	$ 119,489	$ [48,696]
Expenditures				
Instruction	78,241	36,002	$ 119,176	$ [83,174]
School administration	9,330	44,832	18,000	26,832
Total Expenditures	87,571	80,834	$ 137,176	$ [56,342]
Receipts Over [Under] Expenditures	17,685	[10,041]		
Unencumbered Cash, Beginning	-	17,685		
Unencumbered Cash, Ending	$ 17,685	$ 7,644		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 907,219	$ 1,064,915	$ 942,078	$ 122,837
Total Receipts	907,219	1,064,915	$ 942,078	$ 122,837
Expenditures				
Instruction	770,702	948,848	$ 1,057,277	$ [108,429]
Student support services	69,497	150,453	74,259	76,194
Total Expenditures	840,199	1,099,301	$ 1,131,536	$ [32,235]
Receipts Over [Under] Expenditures	67,020	[34,386]		
Unencumbered Cash, Beginning	-	67,020		
Unencumbered Cash, Ending	$ 67,020	$ 32,634		

See independent auditor's report on the financial statements.

SCHEDULE 2-5

UNIFIED SCHOOL DISTRICT NO. 348
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 1,332	$ 4,166	$ 3,937	$ 229
Total Receipts	1,332	4,166	$ 3,937	$ 229
Expenditures				
Instruction	1,623	4,286	$ 4,579	$ [293]
Total Expenditures	1,623	4,286	$ 4,579	$ [293]
Receipts Over [Under] Expenditures	[291]	[120]		
Unencumbered Cash, Beginning	933	642		
Unencumbered Cash, Ending	$ 642	$ 522		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfer in	$ 131,413	$ 108,893	$ 111,200	$ [2,307]
Total Receipts	131,413	108,893	$ 111,200	$ [2,307]
Expenditures				
Instruction	127,413	93,673	$ 151,200	$ [57,527]
Total Expenditures	127,413	93,673	$ 151,200	$ [57,527]
Receipts Over [Under] Expenditures	4,000	15,220		
Unencumbered Cash, Beginning	36,000	40,000		
Unencumbered Cash, Ending	$ 40,000	$ 55,220		

See independent auditor's report on the financial statements.

SCHEDULE 2-7

UNIFIED SCHOOL DISTRICT NO. 348
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 859,660	$ 944,827	$ 911,859	$ 32,968
Delinquent tax	11,207	10,675	3,890	6,785
Motor vehicle tax	100,613	102,360	90,065	12,295
Recreational vehicle	1,955	1,852	2,879	[1,027]
Commercial vehicle	-	-	2,425	[2,425]
State aid	298,900	299,544	304,649	[5,105]
Investment income	11,528	117,249	-	117,249
Miscellaneous	3,048	24,021	-	24,021
Lease proceeds	507,016	-	-	-
Total Receipts	1,793,927	1,500,528	$ 1,315,767	$ 184,761
Expenditures				
Instruction	300,147	354,688	$ 320,000	$ 34,688
General administration	-	1,130	-	1,130
Central services	-	-	356,000	[356,000]
Operations and maintenance	261,503	51,274	176,500	[125,226]
Transportation	103,837	218,352	131,000	87,352
Facility acquisition and repair	1,045,437	1,037,473	1,424,801	[387,328]
Total Expenditures	1,710,924	1,662,917	$ 2,408,301	$ [745,384]
Receipts Over [Under] Expenditures	83,003	[162,389]		
Unencumbered Cash, Beginning	962,567	1,092,532		
Prior Year Canceled Encumbrance	46,962	9,068		
Unencumbered Cash, Ending	$ 1,092,532	$ 939,212		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 5,260	$ 8,345	$ 5,670	$ 2,675
Charges for services	11,619	11,745	10,000	1,745
Transfer in	10,000	10,000	-	10,000
Total Receipts	26,879	30,090	$ 15,670	$ 14,420
Expenditures				
Instruction	10,357	14,868	$ 23,324	$ [8,456]
Operations and maintenance	10,400	10,400	15,000	[4,600]
Total Expenditures	20,757	25,268	$ 38,324	$ [13,056]
Receipts Over [Under] Expenditures	6,122	4,822		
Unencumbered Cash, Beginning	16,532	22,654		
Unencumbered Cash, Ending	$ 22,654	$ 27,476		

See independent auditor's report on the financial statements.

SCHEDULE 2-9

UNIFIED SCHOOL DISTRICT NO. 348
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Federal aid	$ 542,194	$ 471,469	$ 445,645	$ 25,824
State aid	5,375	5,670	6,260	[590]
Charges for services	321,679	303,062	355,175	[52,113]
Miscellaneous	4,743	34,144	-	34,144
Investment income	45,833	-	-	-
Total Receipts	919,824	814,345	$ 807,080	$ 7,265
Expenditures				
Food service	806,855	838,063	$ 1,318,634	$ [480,571]
Total Expenditures	806,855	838,063	$ 1,318,634	$ [480,571]
Receipts Over [Under] Expenditures	112,969	[23,718]		
Unencumbered Cash, Beginning	398,585	511,554		
Prior Year Canceled Encumbrance	-	192		
Unencumbered Cash, Ending	$ 511,554	$ 488,028		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 1,730	$ 1,413	$ 7,500	$ [6,087]
Transfer in	31,440	33,000	-	33,000
Total Receipts	33,170	34,413	$ 7,500	$ 26,913
Expenditures				
Instructional support staff	10,171	13,084	$ 29,224	$ [16,140]
Central services	275	3,312	1,000	2,312
Total Expenditures	10,446	16,396	$ 30,224	$ [13,828]
Receipts [Under] Expenditures	22,724	18,017		
Unencumbered Cash, Beginning	-	22,724		
Unencumbered Cash, Ending	$ 22,724	$ 40,741		

SCHEDULE 2-11

UNIFIED SCHOOL DISTRICT NO. 348
Parent Education Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 117,435	$ 117,435	$ 119,000	$ [1,565]
Transfer in	113,650	105,034	39,839	65,195
Total Receipts	231,085	222,469	$ 158,839	$ 63,630
Expenditures				
Student support services	190,838	210,717	$ 270,644	$ [59,927]
School administration	1,105	1,514	1,000	514
Total Expenditures	191,943	212,231	$ 271,644	$ [59,413]
Receipts [Under] Expenditures	39,142	10,238		
Unencumbered Cash, Beginning	6,985	46,127		
Unencumbered Cash, Ending	$ 46,127	$ 56,365		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Federal aid	$ 265,025	$ 48,092	$ 172,730	$ [124,638]
Investment income	59,783	86,372	125,000	[38,628]
Miscellaneous revenues	29,839	25,641	-	25,641
Transfer in	2,889,718	2,587,728	2,133,296	454,432
Total Receipts	3,244,365	2,747,833	$ 2,431,026	$ 316,807
Expenditures				
Instruction	2,597,293	2,529,362	$ 2,814,193	$ [284,831]
Student support services	79,266	-	83,210	[83,210]
Transportation	132,746	141,698	143,737	[2,039]
Total Expenditures	2,809,305	2,671,060	$ 3,041,140	$ [370,080]
Receipts Over [Under] Expenditures	435,060	76,773		
Unencumbered Cash, Beginning	175,054	610,114		
Unencumbered Cash, Ending	$ 610,114	$ 686,887		

See independent auditor's report on the financial statements.

SCHEDULE 2-13

UNIFIED SCHOOL DISTRICT NO. 348
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Charges for services	$ 6,225	$ 1,796	$ -	$ 1,796
State aid	500	165	12,852	[12,687]
Transfer in	726,273	485,900	266,956	218,944
Total Receipts	732,998	487,861	$ 279,808	$ 208,053
Expenditures				
Instruction	446,381	418,928	$ 566,923	$ [147,995]
Student support services	-	1,269	-	1,269
Total Expenditures	446,381	420,197	$ 566,923	$ [146,726]
Receipts Over [Under] Expenditures	286,617	67,664		
Unencumbered Cash, Beginning	-	286,617		
Unencumbered Cash, Ending	$ 286,617	$ 354,281		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 1,097,875	$ 1,099,600	$ 1,229,620	$ [130,020]
Total Receipts	1,097,875	1,099,600	$ 1,229,620	$ [130,020]
Expenditures				
Instruction	700,332	701,434	$ 786,956	$ [85,522]
Student support services	56,211	56,300	62,956	[6,656]
Instructional support	28,655	28,700	32,094	[3,394]
General administration	26,020	26,061	29,815	[3,754]
School administration	98,919	99,074	110,780	[11,706]
Central services	59,615	59,708	37,873	21,835
Operations and maintenance	59,615	59,708	66,768	[7,060]
Transportation	34,693	34,747	66,768	[32,021]
Food service	33,815	33,868	35,610	[1,742]
Total Expenditures	1,097,875	1,099,600	$ 1,229,620	$ [130,020]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

SCHEDULE 2-15

UNIFIED SCHOOL DISTRICT NO. 348
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2024 and 2023

	Prior Year Actual	Current Year Actual
Receipts		
Transfer in	$ 270,269	$ 83,360
Total Receipts	270,269	83,360
Expenditures		
Central services	3,610	-
Transfer out	596,390	-
Total Expenditures	600,000	-
Receipts Over [Under] Expenditures	[329,731]	83,360
Unencumbered Cash, Beginning	604,190	274,459
Unencumbered Cash, Ending	$ 274,459	$ 357,819

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 348
Textbook & Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2024 and 2023

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 109,613	$ 97,370
Investment income	66,712	183,628
Transfer in	58,504	150,000
Total Receipts	234,828	430,998
Expenditures		
Instruction	215,823	261,829
Total Expenditures	215,823	261,829
Receipts Over [Under] Expenditures	19,005	169,169
Unencumbered Cash, Beginning	113,159	132,164
Prior Year Canceled Encumbrance	-	1,500
Unencumbered Cash, Ending	$ 132,164	$ 302,833

* This fund is not required to be budgeted.

SCHEDULE 2-17

UNIFIED SCHOOL DISTRICT NO. 348
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 476,764	$ 532,111	$ 513,641	$ 18,470
Delinquent tax	6,062	5,674	2,164	3,510
Motor vehicle tax	50,310	53,027	46,552	6,475
Recreational vehicle tax	978	959	1,488	[529]
Commercial vehicle tax	-	-	1,254	[1,254]
Miscellaneous	-	-	10,000	[10,000]
Total Receipts	534,114	591,771	$ 575,099	$ 16,672
Expenditures				
Community service operations	534,114	591,771	$ 565,000	$ 26,771
Total Expenditures	534,114	591,771	$ 565,000	$ 26,771
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Recreation Commission Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 119,191	$ 132,999	$ 128,414	$ 4,585
Delinquent tax	1,513	1,418	542	876
Motor vehicle tax	12,572	13,253	3,749	9,504
Recreational vehicle tax	244	240	120	120
Commercial vehicle tax	-	-	101	[101]
Miscellaneous	-	-	20,000	[20,000]
Total Receipts	133,520	147,910	$ 152,926	$ [5,016]
Expenditures				
Community service operations	133,520	147,910	$ 143,000	$ 4,910
Total Expenditures	133,520	147,910	$ 143,000	$ 4,910
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

SCHEDULE 2-19

UNIFIED SCHOOL DISTRICT NO. 348
Gifts and Grants Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2024 and 2023

	Prior Year Actual	Current Year Actual
Receipts		
Federal aid	$ 128,095	$ 25,421
Miscellaneous	14,862	36,847
Total Receipts	142,957	62,268
Expenditures		
Instruction	161,309	35,195
Student support services	31,069	20,960
Total Expenditures	192,378	56,155
Receipts Over [Under] Expenditures	[49,421]	6,113
Unencumbered Cash, Beginning	55,764	6,343
PY Canceled Encumbrance	-	7,919
Unencumbered Cash, Ending	$ 6,343	$ 20,375

* This funds is not required to be budgeted.

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SCHEDULE 2-20

UNIFIED SCHOOL DISTRICT NO. 348
Federal Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Title I	CARES	ESSER II	ESSER III
Receipts				
Federal aid	$ 218,116	$ 185,713	$ 12,244	$ 361,712
Total Receipts	218,116	185,713	12,244	361,712
Expenditures				
Instruction	176,858	-	-	232,577
Student support services	-	102,048	-	60,605
Central services	-	1,366	-	-
Total Expenditures	176,858	103,414	-	293,182
Receipts Over [Under] Expenditures	41,258	82,299	12,244	68,530
Unencumbered Cash, Beginning	[22,890]	[121,158]	[12,244]	[111,485]
Prior Year Canceled Encumbrance	-	1,550	-	-
Unencumbered Cash, Ending	$ 18,368	$ [37,309]	$ -	$ [42,955]

See independent auditor's report on the financial statements.

ARP Homeless I	ARP Homeless II	ARP Homeless Children and Youth	Actual	Budget	Variance Over [Under]
$ 3,433	$ -	$ 12,885	$ 794,103	$ 616,650	$ 177,453
3,433	-	12,885	794,103	$ 616,650	$ 177,453
-	6	3,725	413,166	$ 347,640	$ 65,526
3,773		- 9,437	175,863	-	175,863
-	-	-	1,366	-	1,366
3,773	6	13,162	590,395	$ 347,640	$ 242,755
[340]	[6]	[277]	203,708		
340	6	134	[267,297]		
-	-	-	1,550		
$ -	$ -	$ [143]	$ [62,039]		

SCHEDULE 2-21

UNIFIED SCHOOL DISTRICT NO. 348
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts from the Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	$ 1,750,982	$ 1,666,511	$ 1,610,465	$ 56,046
Delinquent tax	23,067	20,925	7,950	12,975
Motor vehicle tax	186,439	193,135	169,490	23,645
Recreational vehicle tax	3,632	3,488	5,418	[1,930]
Commercial vehicle tax	-	-	4,565	[4,565]
State aid	859,178	784,321	784,322	[1]
Miscellaneous	-	22,902	-	22,902
Total Receipts	2,823,298	2,691,282	$ 2,582,210	$ 109,072
Expenditures				
Principal	2,090,000	2,155,000	$ 2,155,000	$ -
Interest	436,994	375,069	375,070	[1]
Bond issuance costs	-	-	100	[100]
Total Expenditures	2,526,994	2,530,069	$ 2,530,170	$ [101]
Receipts Over [Under] Expenditures	296,304	161,213		
Unencumbered Cash, Beginning	3,803,380	4,099,684		
Unencumbered Cash, Ending	$ 4,099,684	$ 4,260,897		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
STUDENT ORGANIZATIONS				
Baldwin Elementary Intermediate Center				
Student Council	$ 748	$ 51	$ -	$ 799
Subtotal Baldwin Elementary Intermediate Center Student Organization Funds	748	51	-	799
Baldwin Elementary Primary Center				
All Day Kindergarten Fees	176	-	-	176
Subtotal Baldwin Elementary Primary Center Student Organization Funds	176	-	-	176
Total Elementary School Student Organization Funds	924	51	-	975
Baldwin Junior High School				
Art	51	-	-	51
Band	1,459	320	528	1,251
Basketball	1,037	2,851	2,858	1,030
Girls Basketball	-	-	85	[85]
Champions Club	810	9,149	7,924	2,035
Field Trip	937	3,787	3,107	1,617
Imagination Club	85	-	85	-
Cheerleaders	636	3,910	3,611	935
Chorus	494	1,469	1,358	605
Football	2,646	545	1,413	1,778
Sources of Strength	-	1,291	-	1,291
STUCO	1,684	1,420	2,056	1,048
Track	2,858	4,002	3,965	2,895
Volleyball	1,343	4,049	3,542	1,850
Wrestling	-	212	-	212
Yearbook	6,600	1,840	2,102	6,338
Total Baldwin Junior High Student Organization Funds	20,640	34,845	32,634	22,851
Total Junior High School Student Organization Funds	20,640	34,845	32,634	22,851
Baldwin High School				
Art Club	$ 2,449	$ 650	$ 143	$ 2,956
Athletic Training Donation	-	865	-	865
Band	3,936	6,375	5,530	4,781
Baseball	[32]	10,921	7,055	3,834
Boys Basketball	3,546	9,997	13,432	111
Boys Soccer	15,946	8,164	20,760	3,350
Boys Tennis	197	140	205	132
Bridges	37	-	-	37
Cheerleaders	4,828	19,500	15,045	9,283
Class of '19	132	-	-	132
Class of '21	63	-	-	63
Class of '22	1,348	-	-	1,348
Class of '23	2,009	-	250	1,759
Class of '24	3,262	1,533	4,795	-
Class of '25	1,271	6,871	5,910	2,232

UNIFIED SCHOOL DISTRICT NO. 348
Agency Funds
Summary of Receipts and Disbursements (Continued)
Regulatory Basis
For the Year Ended June 30, 2024

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
STUDENT ORGANIZATIONS - CONTINUED				
Baldwin High School - Continued				
Class of '26	$ 1,032	$ 221	$ 199	$ 1,054
Class of '27	-	1,308	296	1,012
Community Bulldog Day (Business)	175	-	-	175
Concessions	2,857	17,719	18,314	2,262
Cross Country/Track	1,768	7,166	7,420	1,514
Debate	181	-	-	181
Environmental Science	1,101	199	237	1,063
FACS	1,295	609	216	1,688
FBLA	5,750	4,036	6,690	3,096
FCCLA	2,239	45	531	1,753
FFA	-	14,096	8,622	5,474
Football	2,713	10,184	6,283	6,614
Forensics	260	-	-	260
Girls Basketball	5,638	2,491	4,836	3,293
Girls Golf	4,550	6,241	6,327	4,464
Girls Soccer	412	3,325	3,485	252
Girls Tennis	540	1,723	1,785	478
Girls Wrestling	-	1,044	449	595
Golf	862	63	101	824
Highway Championship Sign	3,880	-	1,916	1,964
International Club	88	-	88	-
Journalism	-	1,800	1,305	495
Mardi Gras (SPED)	1,259	854	235	1,878
National Honor Society	170	213	366	17
Pom Squad	1,426	3,277	3,388	1,315
Prior System Outstanding	600	-	-	600
Scholar's Bowl	292	183	-	475
Softball	2,157	9,255	7,215	4,197
Spanish Trip	865	2,429	2,740	554
SPEAK	77	5,057	4,363	771
Stuco Heart Awareness	624	-	298	326
Student Council	4,762	2,649	1,451	5,960
The Avant	1,903	600	396	2,107
Unified Bowling	1,800	200	375	1,625
Volleyball	2,211	2,033	3,441	803
Wrestling	52	6,517	4,324	2,245
Total Baldwin High School Student Organization Funds	66,686	133,581	123,897	92,267
Total High School Student Organization Funds	66,686	133,581	123,897	92,267
Payroll Clearing Fund	29,122	90,264	99,198	20,188
Total Agency Funds	$ 117,372	$ 258,741	$ 255,729	$ 136,281

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GATE RECEIPTS							
Baldwin High School							
Athletics gate	$ 3,029	$ -	$ 92,821	$ 95,855	$ [5]	$ -	$ [5]
Musical	11,209	-	9,185	9,951	10,443	-	10,443
Baldwin Junior High School							
Athletics	8,664	-	18,825	17,410	10,079	-	10,079
Subtotal gate receipts	22,902	-	120,831	123,216	20,517	-	20,517
SCHOOL PROJECTS							
Baldwin Elementary Intermediate Center							
Building	1,458	-	4,587	4,122	1,923	-	1,923
Building Rental	-	-	500	500	-	-	-
Food Service	[565]	-	12,808	12,243	-	-	-
Classroom Support	1,076	-	1,785	1,829	1,032	-	1,032
Character Council	15	-	-	15	-	-	-
Garden	3,666	-	1,709	1,376	3,999	-	3,999
PE	25	-	-	-	25	-	25
Student Emergency	741	-	65	262	544	-	544
Yearbook	2,153	-	1,030	799	2,384	-	2,384
Fees (Online Enrollment)	-	-	15	15	-	-	-
Music	515	-	851	113	1,253	-	1,253
Library	315	-	4,250	4,246	319	-	319
Subtotal Baldwin Elementary Intermediate Center	9,399	-	27,600	25,520	11,479	-	11,479
Baldwin Elementary Primary Center							
Classroom Support	16,077	-	12,595	17,444	11,228	-	11,228
Family Aide	57	-	-	-	57	-	57
Field Trips	2,000	-	5,855	6,326	1,529	-	1,529
Food Service	[345]	-	12,012	11,940	[273]	-	[273]
Library	1,464	-	3,879	3,999	1,344	-	1,344
Petty Cash	750	-	-	750	-	-	-
Social Worker Family Support	773	-	-	-	773	-	773
Time 4 Kids	291	-	-	-	291	-	291
Textbook	-	-	3,120	3,120	-	-	-
Yearbook	6,600	-	914	835	6,679	-	6,679
Subtotal Baldwin Elementary Primary Center	27,667	-	38,375	44,414	21,628	-	21,628

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2024

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
SCHOOL PROJECTS - CONTINUED							
Baldwin Junior High School							
Administration	$ 1,709	$ -	$ 3,532	$ 4,673	$ 568	$ -	$ 568
Building Rental	-	-	200	200	-	-	-
Bulldog Club	425	-	-	166	259	-	259
Chromebooks	-	-	2,320	2,320	-	-	-
Chromebook Service	-	-	10	10	-	-	-
Donations	1,129	-	-	53	1,076	-	1,076
Food Service	-	-	21,142	21,142	-	-	-
Kansas Sales Tax	-	-	2,800	2,800	-	-	-
Library	253	-	1,320	1,264	309	-	309
Instrument Rental	-	-	480	480	-	-	-
Social Worker	1,049	-	-	564	485	-	485
Textbook	-	-	4,385	4,385	-	-	-
User Fees	-	-	2,815	2,815	-	-	-
Subtotal Baldwin Junior High School	4,565	-	39,004	40,872	2,697	-	2,697
Baldwin High School							
Administration	959	-	5,857	5,979	837	-	837
Academic Night	141	-	-	6	135	-	135
Band Instrument Rental	-	-	280	280	-	-	-
Baseball and Softball Complex Improvement	289	-	-	165	124	-	124
Drivers Ed	-	-	11,750	11,750	-	-	-
Food Service	-	-	20,978	20,978	-	-	-
France Trip	486	-	-	75	411	-	411
iPad Fee	-	-	5,210	5,210	-	-	-
Library	-	-	83	83	-	-	-
Parking Permits	-	-	198	198	-	-	-
Sales Tax	-	-	11,482	11,482	-	-	-
Shop Metals	-	-	144	144	-	-	-
Shop Woods	-	-	1,716	1,716	-	-	-
Testing	1,640	-	3,071	3,165	1,546	-	1,546
Textbook	-	-	8,240	8,240	-	-	-
User Fee	-	-	6,665	6,665	-	-	-
Vocal Music	2,553	-	2,693	3,350	1,896	-	1,896
Yearbook	4,397	-	7,808	4,755	7,450	-	7,450
Subtotal Baldwin High School	10,465	-	86,175	84,241	12,399	-	12,399
Subtotal school projects	52,096	-	191,154	195,047	48,203	-	48,203
Total district activity funds	$ 74,998	$ -	$311,985	$ 318,263	$ 68,720	$ -	$ 68,720

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	$ [22,890]	$ 123,520	$ 82,262	$ 18,368
Supporting Effective Instruction State Grants	84.367	-	61,895	61,895	-
Student Support and Academic Enrichment Program	84.424	-	32,701	32,701	-
Education Stabilization Fund	84.425	[121,230]	390,274	312,617	[43,573]
Total U.S. Department of Education			608,390	489,475	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	[121,158]	185,713	103,414	[38,859]
Total U.S. Department of Health and Human Services			185,713	103,414	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast	10.553	-	59,009	59,009	-
National School Lunch Program	10.555	-	252,280	252,280	-
Summer Food Service Program for Children	10.559	-	159,898	159,898	-
Total Child Nutrition Cluster		-	471,187	471,187	-
Farm to School Grant Program	10.575	-	10,000	10,000	-
Local Food for Schools Cooperative Agreement Program	10.185	-	8,405	8,405	-
Total U.S. Department of Agriculture			489,592	489,592	
Total Expenditures of Federal Awards			$ 1,283,695	$ 1,082,481	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 348

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. Organization

Unified School District No. 348, Baldwin City, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position as of June 30, 2024.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2024.

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

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

UNIFIED SCHOOL DISTRICT NO. 348
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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

Board of Education
Unified School District No. 348
Baldwin City, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 348 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 2, 2024

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

Board of Education
Unified School District No. 348
Baldwin City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 348, Baldwin City, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2024, and have issued our report thereon dated December 2, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 2, 2024