UNIFIED SCHOOL DISTRICT NO. 107

Mankato, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2023

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas
June 30, 2023

Rex Boley - Superintendent

Janet Higer - Clerk

Nicole Luedke - Treasurer

BOARD MEMBERS

Kenny Mizner – President

Marc Grout– Vice President

Brandon Hollerich

Wayne Frost

Brendon Wirth

Bobi Fogo

Justin Angelton

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

For the Year Ended June 30, 2023

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UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 107
Mankato, Kansas 66956

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 107, Mankato, Kansas, a Municipality, as of and for the year ended June 30, 2023, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 107, Mankato, Kansas as of June 30, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 107, Mankato, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide,* and the standards applicable to financial audits contained is *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Unified School District No. 107, Mankato, 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.

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 Unified School District No. 107, Mankato, 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 reasonable 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 presentation 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 Unified School District No. 107, Mankato, 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.

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 Unified School District No. 107, Mankato, 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. 107, Mankato, 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, summary of regulatory basis receipts and disbursements – agency funds, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, and schedule of regulatory basis receipts and disbursements – student activity funds (Schedules 1, 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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.

Our audit was conducted for the purpose of forming opinions on the financial statement of Unified School District No. 107, Mankato, Kansas. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2024 on our consideration of the Unified School District No. 107's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unified School District No. 107's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 107's internal control over financial reporting and compliance.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

Phillipsburg, Kansas
February 19, 2024

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2023

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General Fund	$ -	$ -	$ 3,783,005	$ 3,783,005	$ -	$ 203,188	$ 203,188
Supplemental General Fund	73,769	-	1,116,294	1,153,902	36,161	37,282	73,443
Special Purpose Funds							
Preschool-Aged At Risk Fund	40,000	-	166,000	92,375	113,625	8,622	122,247
At Risk Fund (K-12)	109,296	-	510,466	461,285	158,477	52,460	210,937
Capital Outlay Fund	2,042,408	1	983,133	808,656	2,216,886	312,856	2,529,742
Driver Training Fund	5,498	-	11,666	4,734	12,430	-	12,430
Food Service Fund	92,704	-	282,698	283,050	92,352	-	92,352
Professional Development Fund	4,000	-	-	1,465	2,535	-	2,535
Summer School Fund	6,236	-	14,186	-	20,422	-	20,422
Special Education Fund	173,477	-	746,633	724,069	196,041	-	196,041
Career & Postsecondary Education Fund	50,002	-	277,193	158,774	168,421	27,154	195,575
Gifts & Grants Fund	6,620	-	12,382	14,450	4,552	-	4,552
KPERS Special Retirement Contribution Fund	-	-	341,322	341,322	-	-	-
Contingency Reserve Fund	290,396	-	51,500	-	341,896	-	341,896
Textbook & Student Material Revolving Fund	5,003	-	101,500	30,218	76,285	1,459	77,744
District Activity Funds	20,260	-	89,781	84,715	25,326	-	25,326
Federal Funds	(502,150)	-	1,032,522	573,994	(43,622) *	34,620	(9,002)
Total Reporting Entity (Excluding Agency Funds)	$ 2,417,519	$ 1	$ 9,520,281	$ 8,516,014	$ 3,421,787	$ 677,641	$ 4,099,428

* See Note 3 Cash Basis Exception

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

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Statement 1
(Cont.)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2023

COMPOSITION OF CASH

Cash on Hand	$	30
Central National Bank		
Checking		255
Guaranty State Bank		
Certificate of Deposit		500,000
State Exchange Bank		
NOW Account		3,153,483
Checking Account		1,300
Certificate of Deposit		500,000
Total Cash		4,155,068
Agency Funds per Schedule 3		(55,640)
Total Reporting Entity (Excluding Agency Funds)	$	4,099,428

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

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

Unified School District No. 107, Mankato, Kansas is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District No. 107, a Municipality.

B. REGULATORY BASIS FUND TYPES

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

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

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

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

C. 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.

D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

If the 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 municipality held 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. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 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:

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

2. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Compliance With Kansas Statutes

A. Depository Coverage:

K.S.A. 9-1402 requires deposits at statutorily authorized financial institutions be secured at the market value, which is equal to 100% of the total deposits at any given time. The deposits at State Exchange Bank were undersecured on June 26, 2023. Additional securities were obtained subsequent to the violation.

B. The District is not aware of any other non-compliance with Kansas statutes.

3. CASH BASIS EXCEPTION

Kansas municipalities are subject to the cash basis law as stated in Kansas Statute 10-1113. The federal funds have a negative unencumbered cash balance at June 30, 2023, which is allowable under K.S.A. 12-1663. These funds will be reimbursed in the following fiscal year from federal grant programs as follows:

Federal Fund	Unencumbered Cash	Grant Award Available for Drawdown
SRSAG	(429)	25,551
Title II A	(4,005)	14,775
Title IV A	(13,119)	8,119
ELC	(4,669)	4,669
ESSER II	(9,463)	67,190
ESSER III	(11,937)	424,612

4. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located 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.

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. All deposits were legally secured on June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $4,155,068 and the bank balance was $4,259,437. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance $500,756 was covered by federal depository insurance, and the remaining $3,758,681 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.

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Preschool-Aged At Risk Fund	K.S.A. 72-5167	$ 20,000
General Fund	At Risk Fund (K-12)	K.S.A. 72-5167	390,056
General Fund	Capital Outlay Fund	K.S.A. 72-5167	271,500
General Fund	Driver Training Fund	K.S.A. 72-5167	7,000
General Fund	Food Service Fund	K.S.A. 72-5167	20,394
General Fund	Special Education Fund	K.S.A. 72-5167	498,470
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	51,500
General Fund	Textbook & Student Material Revolving Fund	K.S.A. 72-5167	6,000
Supplemental General Fund	Preschool-Aged At Risk Fund	K.S.A. 72-5143	146,000
Supplemental General Fund	At Risk Fund (K-12)	K.S.A. 72-5143	120,410
Supplemental General Fund	Summer School Fund	K.S.A. 72-5143	14,186
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	239,450
Supplemental General Fund	Career & Postsecondary Education Fund	K.S.A. 72-5143	265,000
Supplemental General Fund	Textbook & Student Material Revolving Fund	K.S.A. 72-5143	95,500

6. 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the

statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.83% and 13.33%, respectively, for the fiscal year ended June 30, 2022. The actuarially determined employer contribution rate and the statutory contribution rate was 13.88% and 13.11% for the fiscal year ended June 30, 2023.

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

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

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the school unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal 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 $341,322 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 $3,392,284. 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.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

(a) Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

(b) Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2023.

(c) Compensated Absences

Vacation and Sick Leave

The District has formal sick leave, vacation, bereavement leave and personal leave policies. Certified and classified employees receive ten days of sick leave each year and can accumulate a maximum of seventy-five sick leave days. Sick leave is not paid upon termination of employment. Certified and Classified employees receive five bereavement days each year. Certified employees and any classified staff that is not on a twelve month contract also receives four personal days each year. Any classified employee that is on a twelve month contract can earn vacation leave based on their hours worked. Classified employees with up to seven years of service can earn up to eight days of vacation leave and may accumulate a maximum of eighty hours; and after seven years of service, a classified employee may earn up to ten days of vacation leave and may accumulate up to 120 hours of accrued pay.

8. RISK MANAGEMENT

The Unified School District No. 107 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 has purchased commercial insurance for these potential risks.

During the year ended June 30, 2023, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

9. SUBSEQUENT EVENTS

The District has evaluated events subsequent to year end through the date of this report, and does not believe any events through the date of this report have occurred which effect the financial statement as presented.

UNIFIED SCHOOL DISTRICT NO. 107

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2023

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2023

FUNDS	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds						
General Fund	$ 3,755,165	$ (38,283)	$ 66,123	$ 3,783,005	$ 3,783,005	$ -
Supplemental General Fund	1,152,500	-	1,402	1,153,902	1,153,902	-
Special Revenue Funds						
Preschool-Aged At Risk Fund	92,375	-	-	92,375	92,375	-
At Risk Fund (K-12)	501,704	-	-	501,704	461,285	(40,419)
Capital Outlay Fund	2,438,014	-	-	2,438,014	808,656	(1,629,358)
Driver Training Fund	16,024	-	-	16,024	4,734	(11,290)
Food Service Fund	364,910	-	-	364,910	283,050	(81,860)
Professional Development Fund	20,020	-	-	20,020	1,465	(18,555)
Summer School Fund	29,950	-	-	29,950	-	(29,950)
Special Education Fund	1,014,730	-	-	1,014,730	724,069	(290,661)
Career & Postsecondary Education Fund	226,430	-	-	226,430	158,774	(67,656)
KPERS Special Retirement Contribution Fund	382,932	-	-	382,932	341,322	(41,610)

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	$ 3,359,460	$ 3,367,765	$ (8,305)
Special Education State Aid	357,422	387,400	(29,978)
Reimbursements	66,123	-	66,123
Total Receipts	3,783,005	$ 3,755,165	$ 27,840
EXPENDITURES			
Instruction			
Salaries			
Certified	805,342	$ 642,598	$ 162,744
Noncertified	60,684	32,000	28,684
Employee Benefits			
Insurance	269,319	184,536	84,783
Social Security & Medicare	64,823	51,942	12,881
Other	9,477	13,633	(4,156)
Purchased Professional & Technical Services	-	3,500	(3,500)
Other Purchased Services			
Tuition			
Tuition/Other LEA's Outside the State	49,000	60,000	(11,000)
Other	4,978	-	4,978
Supplies			
General	14,913	30,000	(15,087)
Technology	1,293	4,000	(2,707)
Property	4,244	5,000	(756)
Other	14,146	233,655	(219,509)
Total Instruction	1,298,219	1,260,864	37,355
Student Support Services			
Purchased Professional & Technical Services	1,600	2,500	(900)
Supplies	601	2,000	(1,399)
Other	-	1,500	(1,500)
Total Student Support Services	2,201	6,000	(3,799)

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

GENERAL FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Instructional Support Staff			
Salaries			
Noncertified	$ -	$ 19,000	$ (19,000)
Employee Benefits			
Insurance	-	8,839	(8,839)
Social Security & Medicare	-	1,454	(1,454)
Other	-	700	(700)
Purchased Professional & Technical Services	-	20	(20)
Other Purchased Services	-	2,500	(2,500)
Supplies			
Books & Periodicals	976	3,400	(2,424)
Miscellaneous	35	1,000	(965)
Property	6,009	-	6,009
Other	90	1,000	(910)
Total Instructional Support Staff	7,110	37,913	(30,803)
General Administration			
Salaries			
Certified	97,868	105,500	(7,632)
Noncertified	42,858	34,617	8,241
Employee Benefits			
Insurance	16,458	17,667	(1,209)
Social Security & Medicare	10,150	11,000	(850)
Other	124	150	(26)
Purchased Professional & Technical Services	13,079	-	13,079
Other Purchased Services			
Insurance	126,173	135,600	(9,427)
Communications	3,979	4,650	(671)
Other	23,776	23,000	776
Supplies	13,823	25,300	(11,477)
Property	-	2,500	(2,500)
Other	15,895	33,400	(17,505)
Total General Administration	364,183	393,384	(29,201)
School Administration			
Salaries			
Certified	138,789	142,000	(3,211)
Noncertified	62,164	59,948	2,216
Employee Benefits			
Insurance	17,518	17,667	(149)
Social Security & Medicare	15,296	15,450	(154)
Other	188	225	(37)
Other Purchased Services			
Communications	3,449	6,200	(2,751)
Supplies	15,582	8,500	7,082
Total School Administration	252,986	249,990	2,996

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

GENERAL FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Central Services			
Salaries			
Noncertified	$ 42,858	$ 34,587	$ 8,271
Employee Benefits			
Social Security & Medicare	3,255	2,646	609
Other	40	35	5
Other	-	500	(500)
Total Central Services	46,153	37,768	8,385
Operations & Maintenance			
Salaries			
Noncertified	26,203	-	26,203
Employee Benefits			
Insurance	3,398	-	3,398
Social Security & Medicare	1,983	-	1,983
Other	24	-	24
Purchased Property Services			
Water/Sewer	12,933	15,000	(2,067)
Repairs & Maintenance	111,612	138,000	(26,388)
Supplies			
General	26,038	-	26,038
Energy			
Heating	30,993	34,000	(3,007)
Electricity	75,177	70,000	5,177
Motor Fuel	71	-	71
Other	10	1,000	(990)
Total Operations & Maintenance	288,442	258,000	30,442
Supervision			
Employee Benefits			
Insurance	983	-	983
Total Supervision	983	-	983

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

GENERAL FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Vehicle Operating Services			
Salaries			
Noncertified	$ 106,455	$ 82,915	$ 23,540
Employee Benefits			
Insurance	45,266	53,002	(7,736)
Social Security	7,868	6,343	1,525
Other	98	83	15
Motor Fuel	66,260	65,000	1,260
Other	902	-	902
Total Vehicle Operating Services	226,849	207,343	19,506
Vehicle & Maintenance Services			
Salaries			
Noncertified	6,626	-	6,626
Employee Benefits			
Insurance	2,690	-	2,690
Social Security	507	-	507
Other	6	-	6
Purchased Professional & Technical Services	989	-	989
Other Purchased Services	6,296	3,500	2,796
Supplies	10,224	32,000	(21,776)
Total Vehicle & Maintenance Services	27,338	35,500	(8,162)
Community Services Operations			
Other	3,621	-	3,621
Total Community Services Operations	3,621	-	3,621
Outgoing Transfers			
Preschool-Aged At Risk Fund	20,000	20,000	-
At Risk Fund (K-12)	390,056	396,403	(6,347)
Capital Outlay Fund	271,500	-	271,500
Driver Training Fund	7,000	5,000	2,000
Food Service Fund	20,394	20,000	394
Professional Development Fund	-	4,000	(4,000)
Summer School Fund	-	8,000	(8,000)
Special Education Fund	498,470	720,000	(221,530)
Career & Postsecondary Education Fund	-	50,000	(50,000)
Contingency Reserve Fund	51,500	35,000	16,500
Textbook & Student Material Revolving Fund	6,000	10,000	(4,000)
Total Outgoing Transfers	1,264,920	1,268,403	(3,483)

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

GENERAL FUND

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Adjustment to Comply With Legal Max	$ -	$ (38,283)	$ 38,283
Legal General Fund Budget	3,783,005	3,716,882	66,123
Adjustment for Qualifying Budget Credits Reimbursements	-	66,123	(66,123)
Total Expenditures	3,783,005	$ 3,783,005	$ -
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2022	-		
UNENCUMBERED CASH, June 30, 2023	$ -		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	$ 35,769	$ 45,516	$ (9,747)
Current Tax	1,007,694	1,061,007	(53,313)
Delinquent Tax	10,404	4,858	5,546
Motor Vehicle Tax	56,067	60,030	(3,963)
Recreational Vehicle Tax	1,479	1,666	(187)
Commercial Vehicle Tax	3,479	3,044	435
Reimbursements	1,402	-	1,402
Total Receipts	1,116,294	$ 1,176,121	$ (59,827)
EXPENDITURES			
Instruction			
Salaries			
Certified	160,915	$ 158,272	$ 2,643
Employee Benefits			
Insurance	32,628	30,476	2,152
Social Security & Medicare	11,943	12,200	(257)
Other	1,890	160	1,730
Purchased Property Services	-	34,565	(34,565)
Supplies			
General	3,784	10,000	(6,216)
Textbooks	13,800	-	13,800
Technology	240	5,000	(4,760)
Miscellaneous	7,664	18,000	(10,336)
Other	4,449	17,000	(12,551)
Total Instruction	237,313	285,673	(48,360)

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

SUPPLEMENTAL GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Instructional Support Staff			
Purchased Professional & Technical Services	$ 11,293	$ 70,000	$ (58,707)
Total Instructional Support Staff	11,293	70,000	(58,707)
General Administration			
Salaries			
Certified	5,140	6,000	(860)
Employee Benefits			
Insurance	341	-	341
Social Security & Medicare	353	459	(106)
Other	2,104	6	2,098
Purchased Professional & Technical Services	8,780	5,000	3,780
Other Purchased Services			
Insurance	-	22,000	(22,000)
Supplies	167	-	167
Total General Administration	16,885	33,465	(16,580)
School Administration			
Salaries			
Certified	7,305	8,300	(995)
Employee Benefits			
Social Security & Medicare	553	640	(87)
Other	7	9	(2)
Total School Administration	7,865	8,949	(1,084)

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

SUPPLEMENTAL GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Outgoing Transfers			
Preschool-Aged At Risk Fund	$ 146,000	$ 54,000	$ 92,000
At Risk Fund (K-12)	120,410	114,185	6,225
Professional Development Fund	-	10,000	(10,000)
Summer School Fund	14,186	50,000	(35,814)
Special Education Fund	239,450	225,000	14,450
Career & Postsecondary Education Fund	265,000	190,000	75,000
Textbook & Student Material Revolving Fund	95,500	111,228	(15,728)
Total Outgoing Transfers	880,546	754,413	126,133
Adjustment to Comply with Legal Max	-	-	-
Legal Supplemental General Fund Budget	1,153,902	1,152,500	1,402
Adjustment for Qualifying Budget Credits			
Reimbursements	-	1,402	(1,402)
Total Expenditures	1,153,902	$ 1,153,902	$ -
Receipts Over (Under) Expenditures	(37,608)		
UNENCUMBERED CASH, July 1, 2022	73,769		
UNENCUMBERED CASH, June 30, 2023	$ 36,161		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

PRESCHOOL-AGED AT RISK FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers			
General Fund	$ 20,000	$ 20,000	$ -
Supplemental General Fund	146,000	54,000	92,000
Total Receipts	166,000	$ 74,000	$ 92,000
EXPENDITURES			
Instruction			
Salaries			
Certified	33,956	$ 42,000	$ (8,044)
Noncertified	18,171	22,000	(3,829)
Employee Benefits			
Insurance	15,459	6,700	8,759
Social Security & Medicare	3,909	5,000	(1,091)
Other	47	70	(23)
Supplies			
General	180	-	180
Student Transportation Services			
Salaries			
Noncertified	19,200	15,390	3,810
Employee Benefits			
Social Security & Medicare	1,435	1,200	235
Other	18	15	3
Total Expenditures	92,375	$ 92,375	$ -
Receipts Over (Under) Expenditures	73,625		
UNENCUMBERED CASH, July 1, 2022	40,000		
UNENCUMBERED CASH, June 30, 2023	$ 113,625		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

AT RISK FUND (K-12)

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers			
General Fund	$ 390,056	$ 396,403	$ (6,347)
Supplemental General Fund	120,410	114,185	6,225
Total Receipts	510,466	$ 510,588	$ (122)
EXPENDITURES			
Instruction			
Salaries			
Certified	278,482	$ 288,382	$ (9,900)
Noncertified	104,777	128,000	(23,223)
Employee Benefits			
Insurance	45,122	53,002	(7,880)
Social Security & Medicare	29,635	31,900	(2,265)
Other	3,269	420	2,849
Total Expenditures	461,285	$ 501,704	$ (40,419)
Receipts Over (Under) Expenditures	49,181		
UNENCUMBERED CASH, July 1, 2022	109,296		
UNENCUMBERED CASH, June 30, 2023	$ 158,477		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	$ 11,170	$ 12,965	$ (1,795)
Current Tax	468,923	444,399	24,524
Delinquent Tax	2,107	1,511	596
Motor Vehicle Tax	12,868	13,702	(834)
Recreational Vehicle Tax	353	380	(27)
Commercial Vehicle Tax	957	695	262
Interest on Idle Funds	67,804	-	67,804
Other Revenue from Local Sources	147,451	-	147,451
Incoming Transfer			
General Fund	271,500	-	271,500
Total Receipts	983,133	$ 473,652	$ 509,481
EXPENDITURES			
Instruction			
Supplies	3,009	$ -	$ 3,009
Property	9,615	-	9,615
Student Support Services			
Property	13,252	-	13,252
Instructional Support Staff			
Supplies	8,409	-	8,409
Property	84,223	-	84,223
General Administration			
Property	7,079	-	7,079
Operations & Maintenance			
Salaries			
Noncertified	159,972	202,000	(42,028)
Employee Benefits			
Insurance	30,918	61,836	(30,918)
Social Security & Medicare	12,130	15,453	(3,323)
Other	149	202	(53)
Purchased Property Services			
Repair of Buildings	95,951	-	95,951
Other Purchased Services	2,770	-	2,770
Property	3,333	-	3,333
Other Support Services			
Property	1,503	-	1,503
Architectural & Engineering Services	269,100	-	269,100
New Building Acquisition & Construction	-	2,158,523	(2,158,523)
Building Improvement			
Outside Contractors	69,284	-	69,284
Other	37,959	-	37,959
Total Expenditures	808,656	$ 2,438,014	$ (1,629,358)
Receipts Over (Under) Expenditures	174,477		
UNENCUMBERED CASH, July 1, 2022	2,042,408		
Prior Year Cancelled Encumbrance	1		
UNENCUMBERED CASH, June 30, 2023	$ 2,216,886		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	$ 1,848	$ 3,500	$ (1,652)
State Aid	2,818	2,025	793
Incoming Transfer			
General Fund	7,000	5,000	2,000
Total Receipts	11,666	$ 10,525	$ 1,141
EXPENDITURES			
Instruction			
Salaries			
Certified	4,366	$ 15,524	$ (11,158)
Employee Benefits			
Social Security & Medicare	336	-	336
Other	4	-	4
Supplies			
General	28	500	(472)
Total Expenditures	4,734	$ 16,024	$ (11,290)
Receipts Over (Under) Expenditures	6,932		
UNENCUMBERED CASH, July 1, 2022	5,498		
UNENCUMBERED CASH, June 30, 2023	$ 12,430		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

FOOD SERVICE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Student Lunch	$ 52,454	$ 58,205	$ (5,751)
Student Breakfast	6,063	5,695	368
Milk	10,499	-	10,499
Adult Meals	666	12,450	(11,784)
Miscellaneous	271	-	271
State Aid	2,192	2,023	169
Federal Aid	190,159	173,831	16,328
Incoming Transfer			
General Fund	20,394	20,000	394
Total Receipts	282,698	$ 272,204	$ 10,494
EXPENDITURES			
Operations & Maintenance			
Property	-	$ 4,110	$ (4,110)
Food Service Operation			
Salaries			
Noncertified	82,630	85,200	(2,570)
Employee Benefits			
Insurance	35,335	35,500	(165)
Social Security & Medicare	6,172	6,600	(428)
Other	219	12,000	(11,781)
Supplies			
Food & Milk	137,761	180,500	(42,739)
Miscellaneous	2,449	3,000	(551)
Property	17,654	38,000	(20,346)
Other	830	-	830
Total Expenditures	283,050	$ 364,910	$ (81,860)
Receipts Over (Under) Expenditures	(352)		
UNENCUMBERED CASH, July 1, 2022	92,704		
UNENCUMBERED CASH, June 30, 2023	$ 92,352		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

PROFESSIONAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	$ -	$ 1,800	$ (1,800)
Incoming Transfers			
General Fund	-	4,000	(4,000)
Supplemental General Fund	-	10,000	(10,000)
Total Receipts	-	$ 15,800	$ (15,800)
EXPENDITURES			
Instructional Support Staff			
Purchased Professional & Technical Services	225	$ 5,020	$ (4,795)
Other Purchased Services	1,240	-	1,240
Supplies			
Technology	-	5,000	(5,000)
Property	-	10,000	(10,000)
Total Expenditures	1,465	$ 20,020	$ (18,555)
Receipts Over (Under) Expenditures	(1,465)		
UNENCUMBERED CASH, July 1, 2022	4,000		
UNENCUMBERED CASH, June 30, 2023	$ 2,535		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

SUMMER SCHOOL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers			
General Fund	$ -	$ 8,000	$ (8,000)
Supplemental General Fund	14,186	50,000	(35,814)
Total Receipts	14,186	$ 58,000	$ (43,814)
EXPENDITURES			
Instruction			
Salaries			
Certified	-	$ 16,000	$ (16,000)
Noncertified	-	5,000	(5,000)
Employee Benefits			
Social Security & Medicare	-	1,530	(1,530)
Other	-	20	(20)
Supplies			
Technology	-	500	(500)
Instructional Support Staff			
Purchased Professional & Technical Services	-	1,500	(1,500)
Other Purchased Services	-	1,500	(1,500)
Other	-	400	(400)
Operations & Maintenance			
Repairs & Maintenance	-	3,500	(3,500)
Total Expenditures	-	$ 29,950	$ (29,950)
Receipts Over (Under) Expenditures	14,186		
UNENCUMBERED CASH, July 1, 2022	6,236		
UNENCUMBERED CASH, June 30, 2023	$ 20,422		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

SPECIAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Federal Aid	$ 8,713	$ -	$ 8,713
Incoming Transfers			
General Fund	498,470	720,000	(221,530)
Supplemental General Fund	239,450	225,000	14,450
Total Receipts	746,633	$ 945,000	$ (198,367)
EXPENDITURES			
Instruction			
Salaries			
Noncertified	-	$ 20,000	$ (20,000)
Employee Benefits			
Insurance	2,208	25,000	(22,792)
Other Purchased Services			
Payment to Special Education Coop	687,983	852,000	(164,017)
Supplies			
General	224	15,000	(14,776)
Property	-	60,000	(60,000)
Vehicle Operating Services			
Salaries			
Noncertified	11,186	25,300	(14,114)
Employee Benefits			
Insurance	19,876	8,900	10,976
Social Security & Medicare	855	2,000	(1,145)
Other	9	30	(21)
Supplies			
Motor Fuel	1,728	6,200	(4,472)
Miscellaneous	-	300	(300)
Total Expenditures	724,069	$ 1,014,730	$ (290,661)
Receipts Over (Under) Expenditures	22,564		
UNENCUMBERED CASH, July 1, 2022	173,477		
UNENCUMBERED CASH, June 30, 2023	$ 196,041		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

CAREER & POSTSECONDARY EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	$ 3,436	$ -	$ 3,436
State Aid	8,757	13,248	(4,491)
Incoming Transfers			
General Fund	-	50,000	(50,000)
Supplemental General Fund	265,000	190,000	75,000
Total Receipts	277,193	$ 253,248	$ 23,945
EXPENDITURES			
Instruction			
Salaries			
Certified	105,479	$ 169,015	$ (63,536)
Employee Benefits			
Insurance	18,992	18,992	-
Social Security & Medicare	8,074	13,000	(4,926)
Other	99	175	(76)
Other Purchased Services			
Other	-	13,248	(13,248)
Supplies			
General	19,827	10,000	9,827
Textbooks	4,852	-	4,852
Miscellaneous	837	-	837
Property	117	-	117
Other	75	-	75
Instructional Support Staff			
Other Purchased Services	422	2,000	(1,578)
Total Expenditures	158,774	$ 226,430	$ (67,656)
Receipts Over (Under) Expenditures	118,419		
UNENCUMBERED CASH, July 1, 2022	50,002		
UNENCUMBERED CASH, June 30, 2023	$ 168,421		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

GIFTS & GRANTS FUND

	Actual	Budget**	Variance Over (Under)
RECEIPTS			
Contributions & Donations	$ 5,144	$ 100,000	$ (94,856)
State Aid	7,238	7,000	238
Total Receipts	12,382	$ 107,000	$ (94,618)
EXPENDITURES			
Instruction			
Other Purchased Services			
Other	-	$ 9,131	$ (9,131)
Supplies			
General	-	5,000	(5,000)
Technology	-	10,000	(10,000)
Student Support Services			
Purchased Professional & Technical Services	-	5,000	(5,000)
Purchased Property Services	-	2,500	(2,500)
Operations & Maintenance			
Purchased Professional & Technical Services	-	5,000	(5,000)
Other	14,450	79,500	(65,050)
Total Expenditures	14,450	$ 116,131	$ (101,681)
Receipts Over (Under) Expenditures	(2,068)		
UNENCUMBERED CASH, July 1, 2022	6,620		
UNENCUMBERED CASH, June 30, 2023	$ 4,552		

** The Gifts and Grants Fund is not required by statute to be budgeted. This budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
KPERS	$ 341,322	$ 382,932	$ (41,610)
EXPENDITURES			
Instruction			
Employee Benefits	208,207	$ 233,589	$ (25,382)
Student Support Services			
Employee Benefits	6,826	7,659	(833)
Instructional Support Staff			
Employee Benefits	10,240	11,488	(1,248)
General Administration			
Employee Benefits	23,892	26,805	(2,913)
School Administration			
Employee Benefits	37,545	42,123	(4,578)
Operations & Maintenance			
Employee Benefits	27,306	30,634	(3,328)
Student Transportation Services			
Employee Benefits	13,653	15,317	(1,664)
Food Service			
Employee Benefits	13,653	15,317	(1,664)
Total Expenditures	341,322	$ 382,932	$ (41,610)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2022	-		
UNENCUMBERED CASH, June 30, 2023	$ -		

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2023

CONTINGENCY RESERVE FUND

	Actual
RECEIPTS	
Incoming Transfer	
General Operating Fund	$ 51,500
EXPENDITURES	-
Receipts Over (Under) Expenditures	51,500
UNENCUMBERED CASH, July 1, 2022	290,396
UNENCUMBERED CASH, June 30, 2023	$ 341,896

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2023

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Actual
RECEIPTS	
Incoming Transfers	
General Fund	$ 6,000
Supplemental General Fund	95,500
Total Receipts	101,500
EXPENDITURES	
Instruction	
Supplies	
Textbooks	13,306
Workbooks	1,490
Other Materials & Supplies	15,422
Total Expenditures	30,218
Receipts Over (Under) Expenditures	71,282
UNENCUMBERED CASH, July 1, 2022	5,003
UNENCUMBERED CASH, June 30, 2023	$ 76,285

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2023

DISTRICT ACTIVITY FUNDS

	Actual
RECEIPTS	$ 89,781
EXPENDITURES	84,715
Receipts Over (Under) Expenditures	5,066
UNENCUMBERED CASH, July 1, 2022	20,260
UNENCUMBERED CASH, June 30, 2023	$ 25,326

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

FEDERAL FUNDS

	Small Rural Schools Achievement Grant Fund	Title I Fund	Title II A Fund	Title IV A Fund	ELC Fund	ESSER II Fund	ESSER III Fund	Total Federal Funds	Budget**	Variance Over (Under)
RECEIPTS										
Federal Aid	$ 933	$ 118,423	$ 14,355	$ 6,236	$ 536,016	$ 116,506	$ 240,053	$ 1,032,522	$ 1,636,907	$ (604,385)
EXPENDITURES										
Instruction										
Salaries										
Certified	-	80,285	6,828	-	2,500	59,382	44,450	193,445	$ 213,000	$ (19,555)
Noncertified	-	-	-	-	15,490	5,953	-	21,443	7,800	13,643
Employee Benefits										
Insurance	-	15,663	-	-	6,625	8,834	-	31,122	34,000	(2,878)
Social Security & Medicare	-	6,080	440	-	1,185	4,930	3,223	15,858	18,000	(2,142)
Other	-	77	306	-	15	242	39	679	225	454
Other Purchased Services	-	-	6,961	-	-	-	16,767	23,728	25,000	(1,272)
Supplies										
General	429	225	2,214	19,355	-	1,962	-	24,185	30,000	(5,815)
Textbooks	-	-	-	-	-	-	63,503	63,503	40,000	23,503
Technology	-	-	-	-	-	68	8,148	8,216	70,000	(61,784)
Property	933	-	-	-	-	-	-	933	20,000	(19,067)
Instructional Support Staff										
Other Purchased Services	-	-	1,785	-	-	-	-	1,785	-	1,785
General Administration										
Other Purchased Services										
Other	-	-	-	-	90	-	-	90	-	90
Supplies	-	-	-	-	70	-	-	70	-	70
Property	-	-	-	-	187,302	-	-	187,302	30,000	157,302
Other	-	-	-	-	128	-	-	128	-	128

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2023

FEDERAL FUNDS (Cont.)

	Small Rural Schools Achievement Grant Fund	Title I Fund	Title II A Fund	Title IV A Fund	ELC Fund	ESSER II Fund	ESSER III Fund	Total Federal Funds	Budget**	Variance Over (Under)
EXPENDITURES (Cont.)										
Vehicle Operating Services										
Motor Fuel	$ -	$ -	$ -	$ -	$ -	$ 1,090	$ -	$ 1,090	$ -	$ 1,090
Other Support Services										
Property	-	-	-	-	-	-	-	-	655,028	(655,028)
Food Service Operation										
Supplies										
Food & Milk	-	-	-	-	-	417	-	417	-	417
Total Expenditures	1,362	102,330	18,534	19,355	213,405	82,878	136,130	573,994	$ 1,143,053	$ (569,059)
Receipts Over (Under) Expenditures	(429)	16,093	(4,179)	(13,119)	322,611	33,628	103,923	458,528		
UNENCUMBERED CASH, July 1, 2022	-	(16,093)	174	-	(327,280)	(43,091)	(115,860)	(502,150)		
UNENCUMBERED CASH, June 30, 2023	$ (429)	$ -	$ (4,005)	$ (13,119)	$ (4,669)	$ (9,463)	$ (11,937)	$ (43,622) *		

* See Note 3 Cash Basis Exception
** Federal funds are not required by statute to be budgeted. This budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 3

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2023

AGENCY FUNDS

Fund	Beginning Balance 7/1/2022	Receipts	Disbursements	Ending Balance 6/30/2023
Student Activity Funds	$ 49,541	$ 68,254	$ 62,155	$ 55,640
Sales Tax	-	5,528	5,528	-
Total	$ 49,541	$ 73,782	$ 67,683	$ 55,640

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 4

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2023

DISTRICT ACTIVITY FUNDS

Fund	Beginning Unencumbered Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Balance
Junior/Senior High School							
Athletics	$ 9,896	$ -	$ 42,245	$ 40,583	$ 11,558	$ -	$ 11,558
Concessions	3,517	-	38,346	37,216	4,647	-	4,647
Drama	4,403	-	4,365	2,882	5,886	-	5,886
EOY Technology	1,323	-	1,589	1,453	1,459	-	1,459
Total Junior/Senior High School	19,139	-	86,545	82,134	23,550	-	23,550
Grade School							
General Activities	1,121	-	3,236	2,581	1,776	-	1,776
Total District Activity Funds	$ 20,260	$ -	$ 89,781	$ 84,715	$ 25,326	$ -	$ 25,326

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 5

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2023

STUDENT ACTIVITY FUNDS

Fund	Beginning Balance 7/1/2022	Receipts	Disbursements	Ending Balance 6/30/2023
JUNIOR/SENIOR HIGH SCHOOL				
Class of 2023	$ 1,137	$ 1,764	$ 1,720	$ 1,181
Class of 2024	1,126	2,288	1,168	2,246
Class of 2025	644	346	-	990
Class of 2026	949	1,106	820	1,235
Class of 2027	421	301	73	649
Class of 2028	-	72	-	72
FFA	15,886	34,614	28,318	22,182
Student Council	5,171	2,067	2,626	4,612
National Honor Society	553	533	692	394
Family Career Community Leaders	212	-	-	212
Annual	430	-	-	430
Cheerleaders	841	2,180	1,386	1,635
Entrepreneurship - Ag Metals	1,333	78	-	1,411
Scholar's Bowl	1,037	-	320	717
Future Business Leaders of America	5,163	7,693	10,070	2,786
Broadcasting	893	-	-	893
Instrumental Music	5,751	7,191	6,880	6,062
Middle School Student Council	4,394	451	604	4,241
Junior High Cheerleaders	1,721	2,472	2,109	2,084
Middle School Scholars Bowl	1,308	408	414	1,302
Dance Team	571	4,690	4,955	306
Total Student Activity Funds	$ 49,541	$ 68,254	$ 62,155	$ 55,640

UNIFIED SCHOOL DISTRICT NO. 107

SINGLE AUDIT SECTION

FOR THE YEAR ENDED JUNE 30, 2023

MAPES & MILLER LLP

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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*

February 19, 2024

Board of Education
Unified School District No. 107
Mankato, Kansas 66956

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Unified School District No. 107, 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. 107's basic financial statement and have issued our report thereon dated February 19, 2024. Our report on the financial statement disclosed that, as described in Note 1 to the financial statements, the Unified School District No. 107 prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 107'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 Unified School District No. 107's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 107's internal control.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2023-001).

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 107's financial statements are 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 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*.

We also noted certain other matters that we reported to management of Unified School District No. 107 in a separate letter dated February 19, 2024.

Unified School District No. 107's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Unified School District No. 107's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Unified School District No. 107's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Respectfully submitted,

Mapes & Miller LLP
Certified Public Accountants

Phillipsburg, Kansas
February 19, 2024

MAPES & MILLER LLP

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

February 19, 2024

Board of Education
Unified School District No. 107
Mankato, Kansas 66956

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Unified School District No. 107's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Unified School District No. 107's major federal programs for the year ended June 30, 2023. The Unified School District No. 107'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 Unified School District No. 107 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 Kansas Municipal Audit and Accounting Guide; 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 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 Unified School District No. 107 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 Unified School District No. 107's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Unified School District No. 107's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Unified School District No. 107'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Unified School District No. 107's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Unified School District No. 107'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 Unified School District No. 107'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 Unified School District No. 107'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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District No. 107's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District No. 107's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002, to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District No. 107's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District No. 107's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Respectfully submitted,

Mapes & Miller LLP
Certified Public Accountants

Phillipsburg, Kansas
February 19, 2024

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

Schedule 6

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ending June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Cash Receipts	Expenditures
U.S. Department of Education				
Passed through Kansas Department of Education (KSDE)				
Title I Grants to Local Educational Agencies	84.010	DO 107	$ 118,423	$ 102,330
Supporting Effective Instruction State Grants	84.367A	DO 107	14,355	18,534
Student Support & Academic Enrichment Program	84.424A	DO 107	6,236	19,355
COVID-19 - Elementary & Secondary School Emergency Relief Fund				
Elementary & Secondary School Emergency Relief Fund	84.425D	DO 107	8,713	17,426
Elementary & Secondary School Emergency Relief Fund	84.425D	DO 107	116,506	82,878
American Rescue Plan - ESSER	84.425U	DO 107	240,053	136,130
Career & Technical Education-Basic Grants to State	84.048	DO 107	-	20,087
Direct Grant				
Small Rural School Achievement Program	84.358		933	1,363
Total U.S. Department of Education			505,219	398,103
U.S. Department of Agriculture				
Passed through Kansas Department of Education (KSDE)				
Child Nutrition Cluster				
School Breakfast Program	10.553	DO 107	30,437	30,437
National School Lunch Program	10.555	DO 107	159,722	198,739
Total Child Nutrition Cluster			190,159	229,176
Total U.S. Department of Agriculture			190,159	229,176
U.S. Federal Communication Commission				
Passed through the Universal Service Administration Company				
Universal Service Fund - Schools & Libraries	32.004	DO 107	7,222	7,222
COVID-19 - Emergency Connectivity Fund Program	32.009	DO 107	13,220	13,220
Total U.S. Federal Communication Commission			20,442	20,442
U.S. Department of Health & Human Services				
Passed through Kansas Department of Education (KSDE)				
Epidemiology & Laboratory Capacity for Infectious Diseases(ELC)	93.323	DO 107	536,016	213,405
Total Kansas Department of Health & Human Services			536,016	213,405
Total Expenditures of Federal Awards			$ 1,251,836	$ 861,126

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 107
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Unified School District No. 107, Mankato, Kansas (the District), under programs of the federal government for the year ended June 30, 2023. The information in the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2023

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

In accordance with Generally Accepted Accounting Principles	Adverse
In accordance with the regulatory basis of accounting described in Note 1	Unmodified

Internal control over financial reporting:

• Material weaknesses identified?	__ Yes x No
Significant deficiencies identified?	x Yes __ None reported
• Noncompliance material to financial statements noted?	__ Yes x No

FEDERAL AWARDS
Internal control over major programs:

• Material weaknesses identified?	__ Yes x No
• Significant deficiencies identified?	x Yes _ 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 2 CFR section 200.516 (a)?	__ Yes x No

The programs tested as major programs were:

CFDA NUMBER	NAME OF FEDERAL PROGRAM
84.425	Education Stabilization Fund
93.323	Epidemiology and Laboratory Capacity for Infectious Disease (ELC)

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2023-001 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

Cause: Because the entity is small, management does not feel it is feasible to hire more staff.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Views of Responsible Officials and Planned Corrective Actions: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION

Epidemiology and Laboratory Capacity for Infectious Disease (ELC) – CFDA No. 93.323.

No reportable findings or questioned costs for the year ended June 30, 2023.

Education Stabilization Fund – CFDA No. 84.425

2023-002 – Reporting

Criteria: The District is required to report on all ESSER expenditures on a quarterly basis to the Kansas Department of Education in order to drawdown ESSER funds.

Condition: Expenditures in the District's general ledger were not reconciled with the expenditures reported in the June 30, 2023 quarterly report for ESSER.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2023

U.S. DEPARTMENT OF EDUCATION (Cont.)

Cause: There are no controls in place for preparing and reviewing the quarterly reports and reconciling them to the general ledger.

Effect: Because of failure to require review and reconciliation of the expenditures, the District's June 30, 2023 quarterly report did not reconcile to the ESSER expenditures on the general ledger for fiscal year 2023.

Recommendation: Review controls should be established for the ESSER report requirements to ensure compliance.

Views of Responsible Officials: The District agrees with the finding and the recommended procedures will be implemented.

Questioned Costs – No questioned costs identified.

UNIFIED SCHOOL DISTRICT NO. 107
Mankato, Kansas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2023

Financial Statement Audit Findings

INTERNAL CONTROL

2022-001 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Current Status: The District was unable to correct this finding due to the small size of the staff.

Federal Award Findings

U.S. DEPARTMENT OF EDUCATION

Epidemiology and Laboratory Capacity for Infectious Disease (ELC) – CFDA No. 93.323
No prior year reportable findings.

Economic Stabilization Fund – CFDA No. 84.425

2022-002 – Reporting

Condition: Expenditures in the District's general ledger were not reconciled with the expenditures reported in the June 30, 2022 quarterly report for ARP ESSER.

Recommendation: Review controls should be established for the ARP ESSER report requirements to ensure compliance.

Current Status: The District corrected the ESSER expenditures reported on the December 31, 2022 ESSER quarterly report.