UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Regulatory Basis Financial Statement and
Independent Auditors' Report with
Regulatory Required Supplemental Information
And Federal Compliance Section
For the Fiscal Year Ended June 30, 2023

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

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UNIONTOWN, KANSAS

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Diehl
Banwart
Bolton
Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #235
Uniontown, Kansas 66779

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 #235, Uniontown, Kansas (the District) as of and for the fiscal year ended June 30, 2023 and the related notes to the financial statement.

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

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2023, and the aggregate receipts and expenditures for the fiscal 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) 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures – agency funds, 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 purposes of additional analysis and are not a required part of the financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards, 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*, is presented for purpose of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information and schedule of expenditures of federal awards are 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 May 2, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

May 2, 2024
Fort Scott, Kansas

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2023
General Funds						
General	$ -	$ 4,842,021.98	$ 4,842,021.98	$ -	$ 297,144.99	$ 297,144.99
Supplemental General	65,973.35	1,431,210.30	1,451,072.00	46,111.65	53,042.77	99,154.42
Special Purpose Funds						
4 Year Old At Risk	5,319.64	76,537.00	80,319.38	1,537.26	9,504.93	11,042.19
K - 12 At Risk	297.87	984,438.76	984,736.63	-	90,757.48	90,757.48
Virtual Education	-	14,745.00	14,745.00	-	-	-
Special Capital Outlay	476,480.42	441,934.44	195,293.20	723,121.66	-	723,121.66
Driver Training	12,827.85	8,565.00	9,135.77	12,257.08	-	12,257.08
Food Service	60,142.07	416,667.83	418,149.49	58,660.41	24,603.26	83,263.67
Professional Development	3,577.11	6,595.39	6,611.50	3,561.00	-	3,561.00
Special Education	108,538.91	839,855.06	811,879.86	136,514.11	296.26	136,810.37
Career & Postsecondary Ed	30,384.31	158,231.14	159,763.83	28,851.62	29,054.61	57,906.23
Gifts and Grants	104,417.06	258,886.82	318,075.12	45,228.76	34,911.49	80,140.25
KPERS Retirement	-	471,428.18	471,428.18	-	-	-
Contingency Reserve	209,123.25	231,000.00	-	440,123.25	-	440,123.25
ESSER Grant	(51,222.65)	526,776.00	549,489.49	(73,936.14)	31,537.19	(42,398.95)
Title I	18,254.00	131,641.00	131,610.17	18,284.83	13,470.93	31,755.76
Title II A Teacher Quality	-	21,577.00	21,577.00	-	4,785.60	4,785.60
Gate Receipts	532.95	33,621.74	31,646.49	2,508.20	-	2,508.20
Title IV A	(4,796.28)	12,219.00	18,957.42	(11,534.70)	7,007.12	(4,527.58)
Bond and Interest Fund						
Bond and Interest	484,536.05	245,043.54	169,712.50	559,867.09	-	559,867.09
FIDUCIARY TYPE FUNDS						
Expendable Trust Funds						
Memorial Scholarships	152,742.02	144,225.34	28,400.00	268,567.36	-	268,567.36
Total Reporting Entity (Excluding Agency Funds)	$ 1,677,127.93	$ 11,297,220.52	$ 10,714,625.01	$ 2,259,723.44	$ 596,116.63	$ 2,855,840.07

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

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2023

	Ending Cash Balance June 30, 2023
Composition of Cash	
Board Checking Account	$ 1,881,243.14
Activity Checking Accounts	73,638.32
Memorial Accounts	268,567.36
Petty cash	2,100.00
Certificates of Deposit	700,000.00
Total Cash	2,925,548.82
Agency Funds Per Schedule 3	(69,708.75)
Total Reporting Entity	$ 2,855,840.07

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

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

NOTES TO THE FINANCIAL STATEMENT
For the Fiscal Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Unified School District #235, Uniontown, Kansas, has been prepared in accordance with the State of Kansas regulatory basis of accounting for Kansas Municipalities, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The *Kansas Municipal Audit and Accounting Guide* (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. Note 1 also describes how the District's accounting policies differ from U.S. generally accepted accounting policies.

Reporting Entity
The District is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District #235, Uniontown, Kansas (the municipality) and related municipal entities. Management has determined that there are no related municipal activities that are or should be included in this financial statement.

Basis of Presentation - Fund 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 of the District:

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

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

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

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

Trust Funds – funds used to report assets held by the District for the benefit of the reporting entity.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Regulatory Basis of Accounting and Departures from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the 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.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and bond and interest funds. 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 fiscal year on or before August 1st.
2. Publication in the local newspaper on or before August 5th of the proposed budget and a notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25th.

Kansas Statutes require that an annual operating budget be legally adopted for the general fund. 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 did hold a revenue neutral rate hearing this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The General Fund and At Risk (K-12) Fund were amended during the fiscal year as shown in Note 10. The District decreased the General Fund budget to the legal maximum budgets in accordance with Kansas Statutes.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Budgetary Information (Continued)
All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of 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 fiduciary funds and the following special purpose funds:

- Grant Fund (K.S.A. 72-8210)
- Federal Funds (K.S.A. 12-1663)
- Contingency Reserve Fund (K.S.A. 72-6426)

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.

Qualifying Budget Credits
Expenditures in various funds include expenditures not subject to the budget laws of the State of Kansas, which include reimbursed expenses and grant expenditures.

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.

Expenditures sometimes include expenditures in connection with reimbursements and/or grants received by the District. These are reimbursement type grants whereby grant money is received to reimburse the District for actual grant expenditures paid. These expenditures are similar to reimbursed expenses as discussed in the preceding paragraph.

Deposits and Investments
Deposits and investments include money market checking accounts and certificates of deposit. Kansas statutes permit investment in money market checking accounts, savings accounts, certificates of deposit, repurchase agreements, and obligations of the U.S. Treasury.

Compensated Absences
All regular full-time non-certified employees are eligible for vacation benefits. Employees are not allowed to accumulate and carry forward vacation benefits past their anniversary date.

Employees accrue sick leave at the rate of 6 to 10 days per year to a maximum of ninety days for certified employees and sixty days for classified employees. Certified, full-time employees will be paid for accumulated sick leave upon separation from the District, which will include retirement, disability, reduction in force, or death. Certified employees payment will be at $35.00 per day. Classified employees will be reimbursed for unused sick leave days upon KPERS retirement or death. Classified employees payment will be at $12.50 per day.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Compensated Absences

The District accrues a liability for compensated absences, which meet the following criteria:

1. The District's obligation relating to the employee's right to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statement.

In accordance with these criteria, the District has a potential liability for sick pay totaling $29,499 which has been earned by employees eligible to retire but not taken at year end.

The District has an actual liability of $12,940 for vacation earned but not taken at year end.

Termination and Post Employment Benefits

The District maintains a 403(b) retirement plan for eligible employees. The District makes up to $300 in matching contributions for employees that defer salary. In addition the District makes contributions ranging from $200 to $450 for certified staff. These contributions are based on the number of years of service. For the year ended June 30, 2023, $35,750 was contributed under the plan.

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.

Participation in Group Health Insurance Plan

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 premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Reimbursements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31st such taxes are a lien on the property.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The financial statement and regulatory required supplemental schedules are prepared in order to show compliance with the cash basis and budget laws of Kansas. The District was in apparent compliance with the cash basis and budget laws of Kansas, except as follows:

- Deposits at one financial institution were not adequately secured by FDIC insurance and securities pledged in apparent violation of K.S.A. 9-1402.

The apparent cash violations in the ESSER Grant and Title IV A funds are not actual violations due to grant money receivable at year end.

3. CASH IN BANK AND DEPOSITORY SECURITY

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

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

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.

3. CASH IN BANK AND DEPOSITORY SECURITY (Continued)

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not have any "peak periods" designated.

At June 30, 2023 the District's carrying amount of deposits was $2,925,548.82 and the bank balance was $3,070,476.53. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $332,685.16 was covered by federal depository insurance, and $2,574,064.51 was collateralized with securities held by the pledging financial institutions' agents in the District's name, and $163,726.86 was unsecured. The fair value of the pledged securities was $2,574,064.51.

4. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

4. DEFINED BENEFIT PENSION PLAN (Continued)

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

House Substitute for Senate Bill 109 from the 2018 Legislative session provided 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 $471,428.18 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 $4,708,111. The total net Pension liability was $10,612,481,190. 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.

5. RELATED PARTIES

The District's demand and time deposits are at the only bank in the District. The District's treasurer is also president of the bank.

6. RISK MANAGEMENT

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

7. CONTINGENCIES

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

8. INTERFUND TRANSFERS

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Four Year Old At Risk	K.S.A. 72-6428	$ 55,000.00
General	K-12 At Risk	K.S.A. 72-6428	784,438.76
General	Virtual Education	K.S.A. 72-6428	14,745.00
General	Special Capital Outlay	K.S.A. 72-6428	49,323.86
General	Driver Training	K.S.A. 72-6428	2,000.00
General	Food Service	K.S.A. 72-6428	7,719.77
General	Professional Development	K.S.A. 72-6428	3,034.39
General	Special Education	K.S.A. 72-6428	561,723.00
General	Contingency Reserve	K.S.A. 72-6428	231,000.00
Supplemental General	Four Year Old At Risk	K.S.A. 72-6433	21,537.00
Supplemental General	K-12 At Risk	K.S.A. 72-6433	200,000.00
Supplemental General	Food Service	K.S.A. 72-6433	24,000.00
Supplemental General	Professional Development	K.S.A. 72-6433	3,000.00
Supplemental General	Special Education	K.S.A. 72-6433	266,778.06
Supplemental General	Career & Post Secondary Education	K.S.A. 72-6433	142,000.14

9. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to June 30, 2023 through May 2, 2024, the date the financial statement was available for issue. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statement.

10. BUDGET AMENDMENTS

The following fund budgets were amended during the year:

General Fund	Original Budget	Amended Budget
Cash Receipts		
State Sources		
General aid	$ 4,118,021	$ 4,358,436
Sepcial Education aid	532,201	532,201
Total Cash Receipts	4,650,222	4,890,637
Unencumbered Cash, July 1	-	-
Total Resources Available	$ 4,650,222	$ 4,890,637
Expenditures		
Instruction	$ 2,186,622	$ 2,319,262
Support Services		
Student Support Services	32,450	32,450
Instructional Support Staff	21,700	21,700
General Administration	212,250	212,250
School Administration	257,500	257,500
Operations and Maintenance	406,400	406,400
Student Transportation Services	262,300	262,300
Transfers	1,271,000	1,378,775
Total Expenditures	$ 4,650,222	$ 4,890,637

At Risk (K-12) Fund	Original Budget	Amended Budget
Cash Receipts		
Local Sources		
Miscellaneous	$ -	$ 5,500
Transfers	864,000	989,525
Total Cash Receipts	864,000	995,025
Unencumbered Cash, July 1	298	298
Total Resources Available	$ 864,298	$ 995,323
Expenditures		
Instruction	$ 756,500	$ 887,300
Support Services		
Instructional Support Staff	107,700	107,700
Total Expenditures	$ 864,200	$ 995,000

11. LONG-TERM OBLIGATIONS

The District's long-term obligations are presented in the following two pages of this note to the financial statement.

Schedule of Changes in Long-Term Obligations

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions / New Debt	Reductions / PrincipalPaid	Balances End of Year	Interest Paid
General Obligation Bonds									
School Building Bonds									
Series 2016	3.0-3.25%	3/2/2016	2,955,000	9/1/2037	$ 2,500,000	$ -	$ 95,000	$ 2,405,000	$ 74,712
Lease Purchase Agreements									
Track Repairs	3.00%	7/1/2020	340,000	7/1/2030	279,787	-	31,661	248,126	8,200
					$ 2,779,787	$ -	$ 126,661	$ 2,653,126	$ 82,912

Schedule of Maturities of Long-Term Obligations

Issue	2024	2025	2026	2027	2028	2029 2033	2034 2038	Totals
Principal Payments								
General Obligation Bonds	$ 100,000	$ 110,000	$ 115,000	$ 120,000	$130,000	$ 780,000	$ 1,050,000	$ 2,405,000
Lease Purchase Agreements								
Track Repairs	32,391	33,383	34,385	35,417	36,470	76,080	-	248,126
Total Principal Payments	$ 132,391	$ 143,383	$ 149,385	$ 155,417	$166,470	$ 856,080	$ 1,050,000	$ 2,653,126
Interest Payments								
General Obligation Bonds								
School Building Improvements								
Series 2016	$ 71,788	$ 68,637	$ 65,263	$ 61,737	$ 59,938	$ 236,088	$ 103,074	$ 666,525
Lease Purchase Agreements								
Track Repairs	7,470	6,478	5,476	4,445	3,392	3,643	-	30,904
Total Interest Payments	$ 79,258	$ 75,115	$ 70,739	$ 66,182	$ 67,214	$ 258,398	$ 118,281	$ 697,429
Total Payments	$ 211,649	$ 218,498	$ 220,124	$ 221,599	$233,684	$ 1,114,478	$ 1,168,281	$ 3,350,555

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

For the Fiscal Year Ended June 30, 2023

Schedule 1

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Summary of Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance - Over (Under)
General Funds						
General	$ 4,890,637.00	$ (51,699.00)	$ 3,083.98	$ 4,842,021.98	$ 4,842,021.98	$ -
Supplemental General (LOB)	1,451,072.00	-	-	1,451,072.00	1,451,072.00	-
Special Purpose Funds						
4 Year Old At Risk	80,320.00	-	-	80,320.00	80,319.38	(0.62)
K - 12 At Risk	995,000.00	-	-	995,000.00	984,736.63	(10,263.37)
Virtual Education	25,200.00	-	-	25,200.00	14,745.00	(10,455.00)
Special Capital Outlay	760,000.00	-	-	760,000.00	195,293.20	(564,706.80)
Driver Training	9,200.00	-	-	9,200.00	9,135.77	(64.23)
Food Service	410,750.00	-	51,218.74	461,968.74	418,149.49	(43,819.25)
Professional Development	10,000.00	-	-	10,000.00	6,611.50	(3,388.50)
Special Education	834,546.00	-	-	834,546.00	811,879.86	(22,666.14)
Career & Postsecondary Ed	164,400.00	-	-	164,400.00	159,763.83	(4,636.17)
KPERS Contribution	528,893.00	-	-	528,893.00	471,428.18	(57,464.82)
Bond and Interest Fund						
Bond and Interest	169,723.00	-	-	169,723.00	169,712.50	(10.50)
	$ 10,329,741.00			$ 10,332,344.72	$ 9,614,869.32	

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ 1,000.00	$ 3,008.98	$ -	$ 3,008.98
State Sources				
General aid	3,885,281.00	4,333,853.00	4,358,436.00	(24,583.00)
Special Education aid	494,822.00	505,085.00	532,201.00	(27,116.00)
Other state aid	1,000.00	-	-	-
Federal Sources				
Other	19,496.28	75.00	-	75.00
Total Receipts	4,401,599.28	4,842,021.98	$ 4,890,637.00	$ (48,615.02)
Expenditures				
Instruction	2,199,733.79	1,726,457.33	$ 2,319,262.00	$ (592,804.67)
Support Services				
Student Support	13,122.09	13,826.84	32,450.00	(18,623.16)
Instructional Support	20,392.89	21,573.94	21,700.00	(126.06)
General Administration	209,888.96	243,422.35	212,250.00	31,172.35
School Administration	248,123.01	296,417.82	257,500.00	38,917.82
Operations and Maintenance	396,841.33	536,443.69	406,400.00	130,043.69
Transportation	261,690.86	294,895.23	262,300.00	32,595.23

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Operating Transfers to Other Funds				
4 Year Old At Risk	$ -	$ 55,000.00	$ -	$ 55,000.00
K - 12 At Risk	517,700.00	784,438.76	793,775.00	(9,336.24)
Virtual Education	16,700.00	14,745.00	20,000.00	(5,255.00)
Special Capital Outlay	-	49,323.86	-	49,323.86
Driver Training	-	2,000.00	-	2,000.00
Food Service	10,000.00	7,719.77	25,000.00	(17,280.23)
Professional Development	-	3,034.39	5,000.00	(1,965.61)
Special Education	507,406.35	561,723.00	535,000.00	26,723.00
Contingency Reserve	-	231,000.00	-	231,000.00
Adjustment to Comply with Legal Maximum Budget	-	-	(51,699.00)	51,699.00
Legal General Fund Budget	4,401,599.28	4,842,021.98	4,838,938.00	
Adjustments to Budget				
Grants and Reimbursed Expenditures	-	-	3,083.98	(3,083.98)
Total Expenditures	4,401,599.28	4,842,021.98	$ 4,842,021.98	$ -
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SUPPLEMENTAL GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem property tax	$ 394,197.40	$ 352,763.57	$ 318,104.00	$ (34,659.57)
Delinquent tax	21,002.51	8,408.06	4,750.00	(3,658.06)
County Sources				
Motor vehicle tax	42,937.27	50,225.67	42,370.00	(7,855.67)
State Sources				
General aid	950,559.00	1,019,813.00	1,019,813.00	-
Total Receipts	1,408,696.18	1,431,210.30	$ 1,385,037.00	$ (46,173.30)
Expenditures				
Instruction	40,020.40	106,341.73	$ 151,197.00	$ (44,855.27)
Support Services				
Student Support	80,138.23	67,555.07	83,900.00	(16,344.93)
Instructional Support	207,957.38	201,609.98	195,525.00	6,084.98
General Administration	11,541.60	12,922.02	13,000.00	(77.98)
School Administration	-	55,000.00	-	55,000.00
Central Services	48,757.10	50,028.54	51,200.00	(1,171.46)
Operations and Maintenance	249,982.64	266,900.46	275,500.00	(8,599.54)
Transportation	59,845.00	33,399.00	25,000.00	8,399.00
Operating Transfers to Other Funds				
4 Year Old At Risk	73,000.00	21,537.00	75,000.00	(53,463.00)
K - 12 At Risk	143,000.00	200,000.00	195,750.00	4,250.00
Food Service	25,000.00	24,000.00	-	24,000.00
Professional Development	-	3,000.00	-	3,000.00
Special Education	282,481.65	266,778.06	250,000.00	16,778.06
Career & Postsecondary Ed	131,000.00	142,000.14	135,000.00	7,000.14
Adjustment to Comply with Legal Maximum Budget	-	-	-	-
Legal Sup General Fund Budget	1,352,724.00	1,451,072.00	1,451,072.00	
Adjustments to Budget				
Grants and Reimbursed Expenditures	-	-	-	-
Total Expenditures	1,352,724.00	1,451,072.00	$ 1,451,072.00	$0.00
Receipts Over(Under) Expenditures	55,972.18	(19,861.70)		
Unencumbered Cash, Beginning	10,001.17	65,973.35		
Unencumbered Cash, Ending	$ 65,973.35	$ 46,111.65		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
4 YEAR OLD AT RISK FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfer from Other Funds				
General	$ -	$ 55,000.00	$ -	$ 55,000.00
Supplemental General	73,000.00	21,537.00	75,000.00	(53,463.00)
Total Receipts	73,000.00	76,537.00	$ 75,000.00	$ 1,537.00
Expenditures				
Instruction	72,807.92	80,319.38	$ 80,320.00	$ (0.62)
Total Expenditures	72,807.92	80,319.38	$ 80,320.00	$ (0.62)
Receipts Over(Under) Expenditures	192.08	(3,782.38)		
Unencumbered Cash, Beginning	5,127.56	5,319.64		
Unencumbered Cash, Ending	$ 5,319.64	$ 1,537.26		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
K - 12 AT RISK FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ -	$ -	$ 5,500.00	$ (5,500.00)
Operating Transfer from Other Funds				
General	517,700.00	784,438.76	793,775.00	(9,336.24)
Supplemental General	143,000.00	200,000.00	195,750.00	4,250.00
Total Receipts	660,700.00	984,438.76	$ 995,025.00	$ (10,586.24)
Expenditures				
Instruction	567,986.57	934,206.30	$ 887,300.00	$ 46,906.30
Support Services				
Student Support Services	103,805.31	50,530.33	107,700.00	(57,169.67)
Total Expenditures	671,791.88	984,736.63	$ 995,000.00	$ (10,263.37)
Receipts Over(Under) Expenditures	(11,091.88)	(297.87)		
Unencumbered Cash, Beginning	11,389.75	297.87		
Unencumbered Cash, Ending	$ 297.87	$ -		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
VIRTUAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ -	$ -	$ 5,200.00	$ (5,200.00)
Operating Transfer from Other Funds				
General	16,700.00	14,745.00	20,000.00	(5,255.00)
Total Receipts	16,700.00	14,745.00	$ 25,200.00	$ (10,455.00)
Expenditures				
Instruction	16,700.00	14,745.00	$ 25,200.00	$ (10,455.00)
Total Expenditures	16,700.00	14,745.00	$ 25,200.00	$ (10,455.00)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SPECIAL CAPITAL OUTLAY FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem property tax	$ 131,240.33	$ 166,368.48	$ 155,678.00	$ (10,690.48)
Delinquent tax	5,202.66	2,657.30	1,572.00	(1,085.30)
Interest	8,426.57	6,209.91	4,000.00	2,209.91
Other	111,911.12	75,036.79	-	75,036.79
County Sources				
Motor vehicle tax	15,244.26	17,176.10	14,710.00	(2,466.10)
State Sources				
State aid	92,982.00	125,162.00	125,175.00	13.00
Operating Transfer from Other Funds				
General	-	49,323.86	-	49,323.86
Total Receipts	365,006.94	441,934.44	$ 301,135.00	$ 112,341.68
Expenditures				
Instruction	13,367.20	17,981.61	$ 50,000.00	$ (32,018.39)
Support Services				
Student Support Services	108,437.49	-	50,000.00	(50,000.00)
Operations & Maintenance	-	32,441.82	250,000.00	(217,558.18)
Transportation	-	99,934.00	260,000.00	(160,066.00)
Facility Acquisition and Construction				
Repair and Remodeling	125,487.76	5,074.41	150,000.00	(144,925.59)
Debt Service on Capital Lease	79,722.72	39,861.36	-	39,861.36
Total Expenditures	327,015.17	195,293.20	$ 760,000.00	$ (564,706.80)
Receipts Over(Under) Expenditures	37,991.77	246,641.24		
Unencumbered Cash, Beginning	438,488.65	476,480.42		
Unencumbered Cash, Ending	$ 476,480.42	$ 723,121.66		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
DRIVER TRAINING FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ 3,675.00	$ 2,925.00	$ 2,500.00	$ 425.00
State Sources				
State safety aid	3,050.00	3,640.00	3,105.00	535.00
Operating Transfer from Other Funds				
General	-	2,000.00	-	2,000.00
Total Receipts	6,725.00	8,565.00	$ 5,605.00	$ 2,960.00
Expenditures				
Instruction	6,774.73	8,769.53	$ 8,200.00	$ 569.53
Support Services				
Vehicle Operating Services	506.68	366.24	1,000.00	(633.76)
Total Expenditures	7,281.41	9,135.77	$ 9,200.00	$ (64.23)
Receipts Over(Under) Expenditures	(556.41)	(570.77)		
Unencumbered Cash, Beginning	13,384.26	12,827.85		
Unencumbered Cash, Ending	$ 12,827.85	$ 12,257.08		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
FOOD SERVICE FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Sales of food	$ 7,727.96	$ 64,884.68	$ 114,723.00	$ (49,838.32)
Other	-	-	20,000.00	(20,000.00)
State Sources				
State aid	2,562.15	2,726.28	2,052.00	674.28
Federal Sources				
School lunch and breakfast program	364,858.48	266,118.36	189,329.00	76,789.36
Fresh fruits and vegetables grant	10,885.73	24,509.66	-	24,509.66
Other Federal grants	614.00	26,709.08	-	26,709.08
Operating Transfer from Other Funds				
General	10,000.00	7,719.77	25,000.00	(17,280.23)
Supplemental General	25,000.00	24,000.00	-	24,000.00
Total Receipts	421,648.32	416,667.83	$ 351,104.00	$ 65,563.83
Expenditures				
Support Services				
Operations and Maintenance	-	353.44	$ 1,250.00	$ (896.56)
Food Service Operations	364,624.41	417,796.05	409,500.00	8,296.05
Total Budget			410,750.00	
Adjustments to Budget				
Unbudgeted Grants Received			51,218.74	(51,218.74)
Total Expenditures	364,624.41	418,149.49	$ 461,968.74	$ (43,819.25)
Receipts Over(Under) Expenditures	57,023.91	(1,481.66)		
Unencumbered Cash, Beginning	3,118.16	60,142.07		
Unencumbered Cash, Ending	$ 60,142.07	$ 58,660.41		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
State aid	$ -	$ 561.00	$ 1,500.00	$ (939.00)
Operating Transfer from Other Funds				
General	-	3,034.39	5,000.00	(1,965.61)
Supplemental General	-	3,000.00	-	3,000.00
Total Receipts	-	6,595.39	$ 6,500.00	$ 95.39
Expenditures				
Support Services				
Instructional Support Staff	4,345.40	6,611.50	$ 10,000.00	$ (3,388.50)
Total Expenditures	4,345.40	6,611.50	$ 10,000.00	$ (3,388.50)
Receipts Over(Under) Expenditures	(4,345.40)	(16.11)		
Unencumbered Cash, Beginning	7,922.51	3,577.11		
Unencumbered Cash, Ending	$ 3,577.11	$ 3,561.00		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Federal Sources				
Other - ESSER II	$ -	$ 11,354.00	$ -	$ 11,354.00
Operating Transfer from Other Funds				
General	507,406.35	561,723.00	535,000.00	26,723.00
Supplemental General	282,481.65	266,778.06	250,000.00	16,778.06
Total Receipts	789,888.00	839,855.06	$ 785,000.00	$ 54,855.06
Expenditures				
Instruction	714,344.79	721,704.77	$ 792,396.00	$ (70,691.23)
Support Services				
Student Transportation Services	54,296.13	90,175.09	42,150.00	48,025.09
Total Expenditures	768,640.92	811,879.86	$ 834,546.00	$ (22,666.14)
Receipts Over(Under) Expenditures	21,247.08	27,975.20		
Unencumbered Cash, Beginning	87,291.83	108,538.91		
Unencumbered Cash, Ending	$ 108,538.91	$ 136,514.11		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
CAREER AND POSTSECONDARY EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
CTE Transportation Grant	$ -	$ 16,231.00	$ 6,300.00	$ 9,931.00
Operating Transfer from Other Funds				
Supplemental General	131,000.00	142,000.14	135,000.00	7,000.14
Total Receipts	131,000.00	158,231.14	$ 141,300.00	$ 16,931.14
Expenditures				
Instruction	120,463.65	150,113.68	$ 145,000.00	$ 5,113.68
Support Services				
Student Transportation Services	15,645.46	9,650.15	19,400.00	(9,749.85)
Total Expenditures	136,109.11	159,763.83	$ 164,400.00	$ (4,636.17)
Receipts Over(Under) Expenditures	(5,109.11)	(1,532.69)		
Unencumbered Cash, Beginning	35,493.42	30,384.31		
Unencumbered Cash, Ending	$ 30,384.31	$ 28,851.62		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GIFTS AND GRANTS FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Other	$ 13,287.00	$ 5,260.00
State Sources		
Other State aid	20.00	76.47
Federal Sources		
Emints Grant	62,065.02	15,479.80
KDHE K-12 COVID Test Grant	-	48,750.55
21st Century Grant	215,960.00	162,905.00
REAP Grant	18,600.00	26,415.00
Total Receipts	309,932.02	258,886.82
Expenditures		
Instruction	204,147.87	230,868.89
Support Services	82,805.26	87,206.23
Total Expenditures	286,953.13	318,075.12
Receipts Over(Under) Expenditures	22,978.89	(59,188.30)
Unencumbered Cash, Beginning	81,438.17	104,417.06
Unencumbered Cash, Ending	$ 104,417.06	$ 45,228.76

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
KPERS RETIREMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
KPERS aid	$ 472,226.32	$ 471,428.18	$ 528,893.00	$ (57,464.82)
Total Receipts	472,226.32	471,428.18	$ 528,893.00	$ (57,464.82)
Expenditures				
Instruction	332,919.55	332,356.87	$ 372,870.00	$ (40,513.13)
Support Services				
Student Support	21,722.41	21,685.70	24,328.00	(2,642.30)
Instructional Support	3,777.81	3,771.43	4,231.00	(459.57)
General Administration	24,083.55	24,042.84	26,973.00	(2,930.16)
School Administration	37,305.88	37,242.82	41,783.00	(4,540.18)
Operations and Maintenance	18,416.83	18,385.70	20,628.00	(2,242.30)
Student Transportation Services	21,250.18	21,214.26	23,800.00	(2,585.74)
Food Service	12,750.11	12,728.56	14,280.00	(1,551.44)
Total Expenditures	472,226.32	471,428.18	$ 528,893.00	$ (57,464.82)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
CONTINGENCY RESERVE FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from Other Funds		
General	$ -	$ 231,000.00
Total Receipts	-	231,000.00
Expenditures		
Support Services	42,982.01	-
Total Expenditures	42,982.01	-
Receipts Over(Under) Expenditures	(42,982.01)	231,000.00
Unencumbered Cash, Beginning	252,105.26	209,123.25
Unencumbered Cash, Ending	$ 209,123.25	$ 440,123.25

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
ESSER GRANT FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal aid	$ 292,183.00	$ 526,776.00
Total Receipts	292,183.00	526,776.00
Expenditures		
Instruction	284,961.45	243,431.55
Support Services	49,862.20	306,057.94
Total Expenditures	334,823.65	549,489.49
Receipts Over(Under) Expenditures	(42,640.65)	(22,713.49)
Unencumbered Cash, Beginning	(8,582.00)	(51,222.65)
Unencumbered Cash, Ending	$ (51,222.65)	$ (73,936.14)

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE I FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal aid	$ 123,044.00	$ 131,641.00
Total Receipts	123,044.00	131,641.00
Expenditures		
Instruction	121,180.00	131,610.17
Total Expenditures	121,180.00	131,610.17
Receipts Over(Under) Expenditures	1,864.00	30.83
Unencumbered Cash, Beginning	16,390.00	18,254.00
Unencumbered Cash, Ending	$ 18,254.00	$ 18,284.83

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE II A TEACHER QUALITY FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal aid	$ 19,856.00	$ 21,577.00
Total Receipts	19,856.00	21,577.00
Expenditures		
Instruction	19,856.00	21,577.00
Total Expenditures	19,856.00	21,577.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE IV A FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Other	$ 2,125.00	$ -
Federal Sources		
Federal aid	8,692.00	12,219.00
Total Receipts	10,817.00	12,219.00
Expenditures		
Instruction	15,613.28	18,957.42
Total Expenditures	15,613.28	18,957.42
Receipts Over(Under) Expenditures	(4,796.28)	(6,738.42)
Unencumbered Cash, Beginning	-	(4,796.28)
Unencumbered Cash, Ending	$ (4,796.28)	$ (11,534.70)

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem property tax	$ 88,872.56	$ 105,162.93	$ 98,358.00	$ 6,804.93
Delinquent tax	5,717.84	2,433.83	1,034.00	1,399.83
Interest on Idle Funds	-	484.15	-	484.15
County Sources				
Motor vehicle tax	13,279.34	12,986.63	11,739.00	1,247.63
State Sources				
State aid	123,442.00	123,976.00	123,890.00	86.00
Total Receipts	231,311.74	245,043.54	$ 235,021.00	$ 10,022.54
Expenditures				
Debt Service				
Principal	100,000.00	95,000.00	$ 95,000.00	$ -
Interest	77,637.50	74,712.50	74,713.00	(0.50)
Other	-	-	10.00	(10.00)
Total Expenditures	177,637.50	169,712.50	$ 169,723.00	$ (10.50)
Receipts Over(Under) Expenditures	53,674.24	75,331.04		
Unencumbered Cash, Beginning	430,861.81	484,536.05		
Unencumbered Cash, Ending	$ 484,536.05	$ 559,867.09		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
MEMORIAL SCHOLARSHIPS FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2023
With Comparative Actual For the Fiscal Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Interest	$ 391.42	$ 1,200.70
Other	38,186.88	143,024.64
Total Receipts	38,578.30	144,225.34
Expenditures		
Scholarships	3,454.00	28,400.00
Total Expenditures	3,454.00	28,400.00
Receipts Over(Under) Expenditures	35,124.30	115,825.34
Unencumbered Cash, Beginning	117,617.72	152,742.02
Unencumbered Cash, Ending	$ 152,742.02	$ 268,567.36

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
AGENCY FUNDS
Summary of Receipts and Disbursements - Regulatory Basis
For the Fiscal Year Ended June 30, 2023

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Agency Funds				
Student Organizations				
High School	$ 49,138.04	$ 142,558.62	$ 145,884.99	$ 48,265.00
Elementary School	5,614.81	39,500.56	23,671.62	21,443.75
Total Agency Funds	$ 54,752.85	$ 182,059.18	$ 169,556.61	$ 69,708.75

Schedule 4

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
High School - Athletics	$ 532.95	$ 28,175.65	$ 27,466.49	$ 1,242.11	$ -	$ 1,242.11
Jr High School - Athletics	-	5,446.09	4,180.00	1,266.09	-	1,266.09
Total Gate Receipts	532.95	33,621.74	31,646.49	2,508.20	-	2,508.20
Total District Activity Funds	$ 532.95	$ 33,621.74	$ 31,646.49	$ 2,508.20	$ -	$ 2,508.20

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

FEDERAL COMPLIANCE SECTION

For the Fiscal Year Ended June 30, 2023

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Expenditures
Child Nutrition Cluster			
United States Department of Agriculture			
Passed Through the State of Kansas Department of Education			
School Breakfast Program	10.553	$ 55,796.78	$ 55,796.78
National School Lunch Program	10.555	220,863.96	220,863.96
Summer School Program for Children	10.559	16,166.70	16,166.70
Fresh Fruits and Vegetables Program	10.582	24,509.66	24,509.66
Total United States Department of Agriculture		317,337.10	317,337.10
Other Programs			
Department of Education			
Passed Through the State of Kansas Department of Education			
Title I Grants to Local Education Agencies	84.010A	131,641.00	131,610.17
Twenty-First Century Community Learning Centers	84.287C	162,905.00	190,315.61
Direct Grant from the U.S. Department of Education			
Rural Education	84.358	26,415.00	26,427.63
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367A	21,577.00	21,577.00
Passed Through the Curators of the University of Missouri			
Supporting Effective Educator Development Program	84.423A	15,479.80	19,980.00
Passed Through the State of Kansas Department of Education			
Supporting Effective Educator Development Program	84.424A	12,219.00	18,957.42
COVID-19 Education Stabilization Fund	84.425D	307,477.00	104,056.53
COVID 19-Education Stabilization Fund	84.425U	230,653.00	445,432.96
Totals U.S. Department of Education		908,366.80	958,357.32
Department of Health and Human Services			
Passed Through the State of Kansas Department of Education			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	75.00	75.00
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	48,750.55	44,535.97
Total Department of Health and Human Services		48,825.55	44,610.97
Total Expenditures of Federal Awards			$ 1,320,305.39

Notes to the Schedule of Expenditures of Federal Awards:

Expenses in this schedule are presented in accordance with the regulatory basis of accounting and include amounts paid, accounts payable for goods or services received, and encumbrances for amounts ordered or contracted for.

There were no subrecipients paid by the District.

Pass thru entities did not assign a specific identifying number.

The District did not use the 10% de minimus rate for indirect costs.

Diehl
Banwart
Bolton
Certified Public Accountants PA

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

To the Board of Education
Unified School District #235
Uniontown, Kansas 66779

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Unified District #235, Uniontown, Kansas' (the District) 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 District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 District'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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

May 2, 2024
Fort Scott, Kansas

Diehl
Banwart
Bolton
Certified Public Accountants PA

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

To the Board of Education
Unified School District #235
Uniontown, Kansas 66779

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of Unified School District #235 (the District) as of the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated May 2, 2024.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statement, 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 statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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 District's financial statement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

May 2, 2024
Fort Scott, Kansas

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

SECTION I: SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

The auditors' report was adverse for departures from accounting principles generally accepted in the United State of America due to the preparation of the financial statements in accordance with the Kansas regulatory basis of accounting. An unmodified opinion on the regulatory basis of accounting financial statement of the government was issued.

Internal control over financial reporting:

- Material weakness identified? ____ Yes __X__ No
- Significant deficiency identified? ____ Yes __X__ None reported
- Noncompliance material to financial statements noted? ____ Yes __X__ No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness identified? ____ Yes __X__ No
- Significant deficiency identified? ____ Yes __X__ None reported

Type of auditors' 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 the Uniform Guidance? ____ Yes __X__ No

Identification of major programs:

CFDA Numbers	Name of Federal Program
84.425	ESSER

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 #235
UNIONTOWN, KANSAS

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs required to be disclosed under the Uniform Guidance.

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2023

No audit findings relative to the federal award programs.