UNIFIED SCHOOL DISTRICT NO. 243

Waverly, Kansas

Financial Statements

For the Year Ended June 30, 2023

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UNIFIED SCHOOL DISTRICT NO. 243
Financial Statements
For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 243
Waverly, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 243, (the District), Waverly, Kansas, 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 Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2023, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the 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 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the "Municipality", 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 described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; 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 and *Government Auditing Standards*, we:

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

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards,* we have also issued our report dated June 27, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matter
The 2022 actual column 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.

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 July 17, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/oar/municipalservices. 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 27, 2024

UNIFIED SCHOOL DISTRICT NO. 243
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 Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 4,402,591	$ 4,402,591	$ -	$ -	$ -
Supplemental General	96,856	3,928	1,381,017	1,380,537	101,264	-	101,264
Special Purpose Funds:							
Career and Postsecondary Education	29,649	1,580	213,160	163,858	80,531	-	80,531
Special Education	115,379	413	856,606	874,772	97,626	-	97,626
Driver Education	32,016	-	3,909	1,197	34,728	-	34,728
Food Service	27,237	16,268	393,911	436,379	1,037	-	1,037
Capital Outlay	67,557	63,561	632,342	519,707	243,753	-	243,753
Professional Development	84	-	11,403	8,754	2,733	-	2,733
KPERS Special Retirement Contribution	-	-	456,738	456,738	-	-	-
At Risk (K-12)	-	-	506,572	505,833	739	-	739
At Risk (4 Year Old)	4,293	-	5,000	8,933	360	-	360
Gifts and Grants	168,400	38,760	524,325	429,025	302,460	-	302,460
Textbook Rental	5,017	5,771	14,880	19,936	5,732	-	5,732
Contingency Reserve	249,548	-	-	-	249,548	-	249,548
Concessions	-	-	96	-	96	-	
Grants	184,316	-	912,394	1,005,034	91,676	-	91,676
District Activity	46,030	-	325,952	315,904	56,078	-	56,078
Bond and Interest Fund:							
Bond and Interest	107,146	-	690	-	107,836	-	107,836
Totals	$ 1,133,528	$ 130,280	$ 10,641,586	$ 10,529,198	$ 1,376,195	$ -	$ 1,376,099

Composition of Cash

Checking Accounts	$ [660,266]
Petty Cash	500
Money Market Accounts	1,611,625
Certificates of Deposit	527,939
Subtotal	1,479,798
Less: Agency Funds per Schedule 3	[103,699]
Total Reporting Entity	$ 1,376,099

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

UNIFIED SCHOOL DISTRICT NO. 243
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 243 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Auditing and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, and 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 for accounting.

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

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 comparisons, the expenditures are properly offset by the reimbursement under the KMAAG regulatory basis of accounting.

Fund Descriptions

The following types of funds comprise the financial activities of 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 Projects and tax levies for long-term debt) that are intended for specified purposes.

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

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

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statue), bond and interest funds, and business funds. Although directory rather than mandatory, the statues provide for the following sequence and timetable in the adoption of the legal annual operating budget:

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

The statues 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 the publication the hearing may be held, and the governing body may amend the budget at that time. The budget for the year ended June 30, 2023, was not amended.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized which 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 agency funds, and the following special purpose funds: Textbook Rental Fund, Contingency Reserve Fund and Concessions Fund.

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

NOTE 2 - Deposits and Investments

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, 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.

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%. All deposits were legally secured as of June 30, 2023. The District has no designated "peak periods."

NOTE 2 - Deposits and Investments (Continued)

As of June 30, 2023, the District's carrying amount of deposits was $1,479,798 and the bank balance was $2,385,274. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, $385,389 was covered by federal depository insurance and $1,999,885 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2023, the District held no investments.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

NOTE 4 - Interfund Transactions

Transfers were as follows:

From	To	Regulatory Authority	Amount
General	Special Education	K.S.A. 72-5167	$ 753,331
General	Career and Postsecondary Education	K.S.A. 72-5167	143,685
General	At-Risk (4 yr old)	K.S.A. 72-5167	5,000
General	At-Risk (K-12)	K.S.A. 72-5167	385,255
General	Capital Outlay	K.S.A. 72-5167	149,552
General	Professional Development	K.S.A. 72-5167	10,000
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	50,000
Supplemental General	Food Service	K.S.A. 72-5143	37,091
Supplemental General	Special Education	K.S.A. 72-5143	103,156
Supplemental General	At-Risk (K-12)	K.S.A. 72-5143	115,551
Total			$ 1,752,621

NOTE 5 - Defined Benefit Pension Plan

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

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

NOTE 5 - Defined Benefit Pension Plan (Continued)

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

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual 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 $456,738 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 $4,315,899. 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 these financial statements.

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

NOTE 6 - Compensated Absences

Vacation Leave. Vacation is provided for all twelve-month employees. These employees receive two weeks of vacation per year for the first five years and three weeks per year thereafter.

NOTE 6 - Compensated Absences (Continued)

Sick Leave. 10 days of sick leave are given to full-time (nine months or greater) employees each year. Sick leave can accumulate to 80 days. When an employee accumulates 80 days and utilizes less than three days of their current year's sick leave, they are paid two days as substitute pay. If an employee is with the District for 15 years or more and retires or leaves employment, they are paid an amount equal to one-third of their accumulated sick leave up to 23 days times their base rate of pay.

Personal Leave. Each employee receives two days per year for personal leave.

The District has not determined the liability for compensated absences because the amount cannot be reasonably estimated.

NOTE 7 - Contingency

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

NOTE 8 - Risk Management

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

NOTE 9 - Other Long-Term Obligations from Operations

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

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

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.

NOTE 10 - Statutory Violation

Actual exceeded budgeted expenditures in the Grants Fund, which is a violation of K.S.A. 79-2935.

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UNIFIED SCHOOL DISTRICT NO. 243
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

Fund	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]
General Funds:						
General Fund	$ 4,791,240	$ [388,649]	$ -	$ 4,402,591	$ 4,402,591	$ -
Supplemental General	1,501,239	[120,702]	-	1,380,537	1,380,537	-
Special Purpose Funds:						
Career and Postsecondary	250,218	-	-	250,218	8,933	[241,285]
Special Education	1,518,985	-	-	1,518,985	505,833	[1,013,152]
Driver Training	34,488	-	-	34,488	1,197	[33,291]
Food Service	500,082	-	-	500,082	1,197	[498,885]
Capital Outlay	632,767	-	-	632,767	519,707	[113,060]
Professional Development	8,754	-	-	8,754	8,754	-
KPERS Special Retirement Contribution	555,258	-	-	555,258	456,738	[98,520]
At-Risk Fund (K-12)	427,788	-	-	427,788	-	[427,788]
At-Risk Fund (4 year old)	84,252	-	-	84,252	-	[84,252]
Gifts and Grants	929,566	-	-	929,566	456,738	[472,828]
Grants	669,384	-	-	669,384	1,005,034	335,650
Bond and Interest Funds:						
Bond and Interest	-	-	-	-	-	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 243
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
State Aid:			
Equalization aid	$ 3,716,260	$ 3,760,884	$ [44,624]
Special education aid	686,331	1,028,540	[342,209]
Total Receipts	4,402,591	$ 4,789,424	$ [386,833]
Expenditures			
Instruction	1,229,724	$ 1,222,403	$ 7,321
Student support services	124,970	317,700	[192,730]
Instructional support staff	2,890	3,600	[710]
General administration	282,904	246,580	36,324
School administration	397,596	446,900	[49,304]
Operations and maintenance	418,817	574,050	[155,233]
Student transportation services	453,529	411,500	42,029
Central support services	44,397	48,700	[4,303]
Other support services	941	3,000	[2,059]
Transfers out	1,446,823	1,516,807	[69,984]
Adjustment to comply with KSDE legal max	-	[388,649]	388,649
Total Expenditures	4,402,591	$ 4,402,591	$ -
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

UNIFIED SCHOOL DISTRICT NO. 243
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Taxes and shared revenue:			
Ad valorem property tax	$ 600,323	$ 702,800	$ [102,477]
Delinquent tax	466	6,407	[5,941]
Motor vehicle tax	63,782	62,994	788
Recreational vehicle tax	90,650	3,051	87,599
Commercial vehicle tax	-	6,798	[6,798]
Mineral production tax	137	-	137
In lieu of taxes	-	2,627	[2,627]
State aid/grants	625,659	680,362	[54,703]
Total Receipts	1,381,017	$ 1,465,039	$ [84,022]
Expenditures			
Instruction	902,013	$ 812,200	$ 89,813
Student support services	-	198,368	[198,368]
Central services	-	20,360	[20,360]
Operations and maintenance	54,890	-	54,890
Other support services	117,836	21,500	96,336
Transfers out	305,798	448,811	[143,013]
Adjustment to comply with legal max	-	[120,702]	120,702
Total Expenditures	1,380,537	$ 1,380,537	$ -
Receipts Over [Under] Expenditures	480		
Unencumbered Cash, Beginning	96,856		
Prior Period Canceled Encumbrance	3,928		
Unencumbered Cash, Ending	$ 101,264		

UNIFIED SCHOOL DISTRICT NO. 243
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Transfers in	$ 193,685	$ 198,123	$ [4,438]
State aid	14,014	22,446	[8,432]
Federal grants	5,461	-	5,461
Total Receipts	213,160	$ 220,569	$ [7,409]
Expenditures			
Instruction	161,125	$ 247,718	$ [86,593]
Student support services	2,733	2,000	733
Operations and maintenance	-	500	[500]
Total Expenditures	163,858	$ 250,218	$ [86,360]
Receipts Over [Under] Expenditures	49,302		
Unencumbered Cash, Beginning	29,649		
Prior Year Canceled Encumbrance	1,580		
Unencumbered Cash, Ending	$ 80,531		

UNIFIED SCHOOL DISTRICT NO. 243
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Transfers in	$ 856,487	$ 1,238,540	$ [382,053]
Miscellaneous revenue	119	-	119
Total Receipts	856,606	$ 1,238,540	$ [381,934]
Expenditures			
Instruction	866,682	$ 1,410,125	$ [543,443]
Student support services	-	850	[850]
Student transportation services	8,090	60,200	[52,110]
Vehicle services & maintenance services	-	500	[500]
Other support services	-	47,310	[47,310]
Total Expenditures	874,772	$ 1,518,985	$ [644,213]
Receipts Over [Under] Expenditures	[18,166]		
Unencumbered Cash, Beginning	115,379		
Prior Year Canceled Encumbrance	413		
Unencumbered Cash, Ending	$ 97,626		

UNIFIED SCHOOL DISTRICT NO. 243
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Charges for services	$ 1,809	$ -	$ 1,809
State aid	2,100	2,025	75
Total Receipts	3,909	$ 2,025	$ 1,884
Expenditures			
Instruction	1,197	$ 33,988	$ [32,791]
Operations and maintenance	-	500	[500]
Total Expenditures	1,197	$ 34,488	$ [33,291]
Receipts Over [Under] Expenditures	2,712		
Unencumbered Cash, Beginning	32,016		
Unencumbered Cash, Ending	$ 34,728		

UNIFIED SCHOOL DISTRICT NO. 243
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Federal grants	$ 261,792	$ 237,292	$ 24,500
State aid/grants	-	2,405	[2,405]
Charges for services	92,536	167,272	[74,736]
Miscellaneous revenues	2,492	-	2,492
Transfers in	37,091	25,000	12,091
Total Receipts	393,911	$ 431,969	$ [38,058]
Expenditures			
Operations and maintenance	398	$ 215,100	$ [214,702]
Food service operation	435,981	284,982	150,999
Total Expenditures	436,379	$ 500,082	$ [63,703]
Receipts Over [Under] Expenditures	[42,468]		
Unencumbered Cash, Beginning	27,237		
Prior Year Canceled Encumbrance	16,268		
Unencumbered Cash, Ending	$ 1,037		

UNIFIED SCHOOL DISTRICT NO. 243
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Taxes and Shared Revenue:			
Ad valorem property	$ 112,731	$ 305,900	$ [193,169]
Delinquent	193,587	2,821	190,766
Motor vehicle	21,994	27,577	[5,583]
Recreational vehicle tax	760	1,335	[575]
Commercial vehicle	-	2,977	[2,977]
Mineral production tax	314	-	314
In lieu of taxes	-	1,150	[1,150]
State aid/grants	113,811	113,811	-
Interest income	249	-	249
Miscellaneous revenues	39,344	-	39,344
Transfer in	149,552	-	149,552
Total Receipts	632,342	$ 455,571	$ 176,771
Expenditures			
Instruction	508	$ 60,500	$ [59,992]
Operations and maintenance	419,041	327,448	91,593
Transportation	-	1,319	[1,319]
Vehicle services & maintenance services	-	97,500	[97,500]
Student support services	6,518	-	6,518
Instructional support staff	22,274	-	22,274
School administration	876	-	876
Central services	422	1,000	[578]
Student transportation services	42,464	-	42,464
Other support services	58	-	58
Employee benefits	-	-	-
Facility acquisition and construction services	27,546	145,000	[117,454]
Total Expenditures	519,707	$ 632,767	$ [113,060]
Receipts Over [Under] Expenditures	112,635		
Unencumbered Cash, Beginning	67,557		
Prior Year Canceled Encumbrance	63,561		
Unencumbered Cash, Ending	$ 243,753		

UNIFIED SCHOOL DISTRICT NO. 243
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
State aid	$ 1,403	$ 3,669	$ [2,266]
Transfer in	10,000	5,000	5,000
Total Receipts	11,403	$ 8,669	$ 2,734
Expenditures			
Instructional support staff	$ 8,754	$ 8,754	$ -
Total Expenditures	8,754	$ 8,754	$ -
Receipts Over [Under] Expenditures	2,649		
Unencumbered Cash, Beginning	84		
Unencumbered Cash, Ending	$ 2,733		

UNIFIED SCHOOL DISTRICT NO. 243
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
State aid/grants	$ 456,738	$ 555,258	$ [98,520]
Total Receipts	456,738	$ 555,258	$ [98,520]
Expenditures			
Instruction	313,262	$ 390,261	$ [76,999]
Student support services	14,485	16,658	[2,173]
Instructional support	17,769	8,073	9,696
General administration	7,019	20,434	[13,415]
School administration	19,033	21,887	[2,854]
Operations and maintenance	57,351	57,351	-
Food service operations	27,819	40,594	[12,775]
Total Expenditures	456,738	$ 555,258	$ [98,520]
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

UNIFIED SCHOOL DISTRICT NO. 243
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Charges for services	$ 5,766	$ 3,500	$ 2,266
Miscellaneous	-	5,000	[5,000]
Transfers in	500,806	418,996	81,810
Total Receipts	506,572	$ 427,496	$ 79,076
Expenditures			
Instruction	$ 505,833	$ 402,788	$ 103,045
Student support services	-	25,000	[25,000]
Total Expenditures	505,833	$ 427,788	$ 78,045
Receipts Over [Under] Expenditures	739		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ 739		

UNIFIED SCHOOL DISTRICT NO. 243
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Transfers in	$ 5,000	$ 79,959	$ [74,959]
Total Receipts	5,000	$ 79,959	$ [74,959]
Expenditures			
Instruction	8,933	$ 84,252	$ [75,319]
Total Expenditures	8,933	$ 84,252	$ [75,319]
Receipts Over [Under] Expenditures	[3,933]		
Unencumbered Cash, Beginning	4,293		
Unencumbered Cash, Ending	$ 360		

UNIFIED SCHOOL DISTRICT NO. 243
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
State aid/grants	$ 2,217	$ 85,800	$ [83,583]
Federal aid	-	16,383	[16,383]
Miscellaneous revenue	521,792	470,000	51,792
Donations	316	35,000	[34,684]
Total Receipts	524,325	$ 607,183	$ [82,858]
Expenditures			
Instruction	236,737	$ 428,000	$ [191,263]
Student support services	42,846	224,778	[181,932]
General administration	985	25,000	[24,015]
School administration	1,373	40,000	[38,627]
Central services	-	30,000	[30,000]
Operations and maintenance	100,603	150,000	[49,397]
Other support services	46,481	21,000	25,481
Food service operation	-	10,788	[10,788]
Total Expenditures	429,025	$ 929,566	$ [500,541]
Receipts Over [Under] Expenditures	95,300		
Unencumbered Cash, Beginning	168,400		
Prior Year Canceled Encumbrance	38,760		
Unencumbered Cash, Ending	302,460		

UNIFIED SCHOOL DISTRICT NO. 243
Textbook Rental Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended June 30, 2023

	Actual
Receipts	
Charges for services	$ 14,880
Total Receipts	14,880
Expenditures	
Instruction	19,936
Total Expenditures	19,936
Receipts Over [Under] Expenditures	[5,056]
Unencumbered Cash, Beginning	5,017
Prior Year Canceled Encumbrance	5,771
Unencumbered Cash, Ending	$ 5,732

* - This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 243
Contingency Reserve Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended June 30, 2023

	Actual
Receipts	
Transfers in	$ -
Total Receipts	-
Expenditures	
Operations and maintenance	-
Total Expenditures	-
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	249,548
Unencumbered Cash, Ending	$ 249,548

* - This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 243
Concessions Fund
Schedule of Receipts and Expenditures - Actual *
Regulatory Basis
For the Year Ended June 30, 2023

	Actual
Receipts	
Reimbursements	$ 96
Total Receipts	96
Expenditures	
Operations and maintenance	-
Total Expenditures	-
Receipts Over [Under] Expenditures	96
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 96

* - This fund is not required to be budgeted.

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UNIFIED SCHOOL DISTRICT NO. 243
Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Title I	Title IIA	Title IVA	Mobilizing Literacy Grant
Receipts				
Federal Aid:				
Grants	$ 61,086	$ 11,446	$ 12,835	$ 30,000
Total Receipts	61,086	11,446	12,835	30,000
Expenditures				
Instruction	61,566	11,446	12,835	38,728
Total Expenditures	61,566	11,446	12,835	38,728
Receipts Over [Under] Expenditures	[480]	-	-	[8,728]
Unencumbered Cash, Beginning	-	-	-	32,516
Unencumbered Cash, Ending	$ [480]	$ -	$ -	$ 23,788

ESSER-CARES Grant	REAP Grant	WS&EC Jones Tech Grant	KDHE Covid Testing Grant	Actual Totals	Budget	Variance Over [Under]
$ 628,444	$ 40,263	$ 40,000	$ 88,320	$ 912,394	$ 405,794	$ 506,600
628,444	40,263	40,000	88,320	912,394	$ 405,794	$ 506,600
698,913	40,263	70,101	71,182	1,005,034	$ 669,384	$ 335,650
698,913	40,263	70,101	71,182	1,005,034	$ 669,384	$ 335,650
[70,469]	-	[30,101]	17,138	[92,640]		
80,620	-	71,000	180	184,316		
$ 10,151	$ -	$ 40,899	$ 17,318	$ 91,676		

UNIFIED SCHOOL DISTRICT NO. 243
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Actual	Budget	Variance Over [Under]
Receipts			
Taxes and Shared Revenue:			
Delinquent	$ 467	$ -	$ 467
Motor vehicle	174	164	10
Recreational vehicle tax	-	8	[8]
Commercial vehicle	-	18	[18]
In lieu of taxes	-	7	[7]
Interest income	49	-	49
Total Receipts	690	$ 197	$ 493
Expenditures			
Debt service	-	$ -	$ -
Total Expenditures	-	$ -	$ -
Receipts Over [Under] Expenditures	690		
Unencumbered Cash, Beginning	107,146		
Unencumbered Cash, Ending	$ 107,836		

UNIFIED SCHOOL DISTRICT NO. 243
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2023

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Lebo Schools				
Class of 2020	$ 305	$ -	$ 305	$ -
Class of 2021	2,008	786	-	2,794
Class of 2022	10,093	-	1,611	8,482
Class of 2023	28,908	10,936	39,844	-
Class of 2024	8,085	42,359	26,296	24,148
Class of 2025	4,706	8,605	5,653	7,657
Class of 2026	-	7,948	4,294	3,653
FBLA	1,674	5,988	5,517	2,145
FBLA store	10	-	-	10
FFA	7,593	6,235	8,559	5,270
FFA projects	521	7,258	7,745	34
FFA savings	969	1	-	970
FCCLA	1,273	5,745	6,176	843
High school cheerleaders	960	1,570	1,731	798
Jr. high cheerleaders	448	915	487	876
National honor society	1,408	1,030	1,325	1,113
Student council	860	-	-	860
Waverly Schools				
Class of 2022	409	5,749	6,205	[47]
Class of 2023	4,524	-	4,420	104
Class of 2024	2,726	2,892	1,668	3,950
Class of 2025	4,996	7,601	6,823	5,774
Class of 2026	150	3,712	-	3,862
Class of 2027	-	1,367	147	1,220
FBLA	6,865	6,123	7,567	5,421
Sales tax	855	5,390	2,670	3,575
Interest	340	46	-	386
High school cheerleaders	975	770	659	1,086
Jr. high cheerleaders	613	571	1,184	-
Jr. high entrepreneur	642	420	445	617
Fellowship of Christian Athletes	222	232	-	454
Yellow ribbon	933	1,351	1,527	757
National Honor Society	1,797	6,628	2,544	5,881
Student council	711	1,480	1,501	690
Stage curtain fund	324	2,001	-	2,325
Jr. high student council	120	225	-	345
Memorial funds	1,153	-	419	734
FCCLA	1,930	4,363	5,377	916
Football club	147	796	396	547
Weights club	3,428	4,234	6,150	1,512
Girls basketball club	154	389	-	543
Boys basketball club	67	3,154	3,222	[1]
Volleyball club	1,670	9,313	7,589	3,394
Total Agency Funds	$ 105,573	$ 168,183	$ 170,057	$ 103,699

Schedule 4

UNIFIED SCHOOL DISTRICT NO. 243
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Proir Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Lebo Schools							
Athletics	$ 22	$ -	$ 34,270	$ 33,507	$ 785	$ -	$ 785
Waverly Schools							
Athletics	[1,010]	-	25,999	22,639	2,350	-	2,350
Subtotal Gate Receipts	[988]	-	60,269	56,146	3,135	-	3,135
School Projects							
Lebo Schools							
Annual staff	1,611	-	7,445	3,587	5,469	-	5,469
Band	3,137	-	518	1,547	2,108	-	2,108
Band trips	6	-	-	-	6	-	6
Band drum fund	61	-	-	-	61	-	61
Boys Basketball fundraising	434		3,100	2,342	1,192	-	1,192
Girls Basketball fundraising	1,351	-	6,772	6,704	1,419	-	1,419
Baseball fundraising	47	-	-	-	47	-	47
Football fundraising	764	-	2,210	1,874	1,099	-	1,099
Track fundraising	209	-	63	-	272	-	272
Volleyball fundraising	1,402	-	60	1,239	223	-	223
Lift-a-thon	125	-	1,956	132	1,949	-	1,949
Book fair	42	-	1,129	1,129	42	-	42
Home economics	34	-	-	-	34	-	34
Food service	-	-	47,641	47,641	-	-	-
Concessions	33	-	-	-	33	-	33
Pop account	66	-	216	190	93	-	93
Powerade account	73	-	939	795	217	-	217
Textbook rental	-	-	11,280	10,380	900	-	900
Art	894	-	-	-	894	-	894
Student activity	600	-	5,661	5,925	336	-	336
Student purchase	1,505	-	15,568	13,377	3,696	-	3,696
Elementary	1	-	60	-	61	-	61
Elementary fun run	2,057	-	-	-	2,057	-	2,057
Flower fund	238	-	240	424	54	-	54
Lebo before/after school	143	-	2,631	2,500	274	-	274
Lebo after school	401	-	1	-	402	-	402
Lebo daycare	639	-	-	237	402	-	402
Lebo daycare monthly	4,250	-	116,932	119,971	1,211	-	1,211
Library	313	-	228	230	311	-	311
Library grants	50	-	-	-	50	-	50
Uniforms	263	-	-	-	263	-	263
Elementary team project	6,623	-	803	1,975	5,450	-	5,450
Elementary pilot test	980	-	-	-	980	-	980
Jr. high pilot test	334	-	-	70	264	-	264
High school pilot test	355	-	-	-	355	-	355
High school SPED room	100	-	-	-	100	-	100
Miscellaneous	132	-	500	621	11	-	11
Waverly Schools							
Band	6,559	-	8,264	8,636	6,187	-	6,187
Student activity	410	-	5,481	-	5,891	-	5,891
Concessions	2,621	-	18,334	18,051	2,904	-	2,904
Music/drama	1,959	-	-	1,959	-	-	-
Instructional funds	402	-	4	-	406	-	406
After school	122	-	-	5	117	-	117
Enrollment fees	-	-	3,377	3,317	60	-	60
Food service/meals	13	-	2,670	2,386	297	-	297
Cafeteria fund	460	-	181	398	243	-	243
Renaissance	40	-	-	-	40	-	40
Yearbook	5,160	-	1,418	2,115	4,463	-	4,463
Subtotal School Projects	47,018	-	265,683	259,758	52,942	-	52,942
Total District Activity Funds	$ 46,030	$ -	$ 325,952	$ 315,904	$ 56,078	$ -	$ 56,078

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 243
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Vocational Education Basic Grants to States	84.048	$ -	$ 5,461	$ 5,461	$ -
Rural Education Achievement Program	84.358	-	40,263	40,263	-
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	-	61,086	61,566	[480]
Vocational Education Basic Grants to States	84.048	-	354	354	-
Supporting Effective Instruction State Grants	84.367	-	11,446	11,446	-
Student Support and Academic Enrichment Program	84.424	-	12,835	12,835	-
COVID-19 - Education Stabilization Fund	84.425D	80,620	628,444	698,913	10,151
Total U.S. Department of Education			759,889	830,838	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
COVID-19 - Epidemiology and Laboratory Capacity For Infectious Diseases	93.323	180	88,320	71,182	17,318
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for Needy Families	93.558	-	2,217	2,217	-
Total Temporary Assistance for Needy Families			2,217	2,217	
Total U.S. Department of Health and Human Services			90,537	73,399	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
School Breakfast	10.558	-	18,766	18,766	-
Child Nutrition Cluster:					
School Breakfast	10.553	-	38,624	38,624	-
National School Lunch Program	10.555	-	129,988	129,988	-
Summer Food Service Program for Children	10.559	-	52,825	52,825	-
Total Child Nutrition Cluster		-	221,437	221,437	-
Total U.S. Department of Agriculture			240,203	240,203	
Total Expenditures of Federal Awards			$ 1,090,629	$ 1,144,440	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 243
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.425D	COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:	$750,000

Auditee qualified as low-risk auditee?	Yes	X	No

UNIFIED SCHOOL DISTRICT NO. 243

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

1. Organization

Unified School District No. 243, Waverly, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position as of June 30, 2023.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2023.

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 243
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

UNIFIED SCHOOL DISTRICT NO. 243
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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

Board of Education
Unified School District No. 243
Waverly, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 243 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 27, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 27, 2024

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

Board of Education
Unified School District No. 243
Waverly, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 243, Waverly, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2023, and have issued our report thereon dated June 27, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

June 27, 2024