UNIFIED SCHOOL DISTRICT NO. 491

Eudora, Kansas

Financial Statements

For the Year Ended June 30, 2023

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UNIFIED SCHOOL DISTRICT NO. 491
Financial Statements
For the Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 491
Eudora, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 491, Eudora, Kansas, (the District), as of and for the year ended June 30, 2023 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the 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 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 year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

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

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

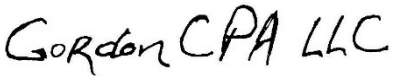
In accordance with *Government Auditing Standards,* we have also issued our report dated March 11, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 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 January 16, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/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 2021 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.



Certified Public Accountant
Lawrence, Kansas

March 11, 2024

UNIFIED SCHOOL DISTRICT NO. 491
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 12,259,927	$ 12,259,927	$ -	$ 393,797	$ 393,797
Supplemental General	283,057	-	3,590,294	3,817,535	55,816	16,707	72,523
Special Purpose Funds:							
At Risk (K-12)	-	-	1,386,424	1,386,424	-	21,703	21,703
Bilingual Education	-	-	3,054	837	2,217	-	2,217
Virtual Education	-	-	115,497	115,497	-	3,531	3,531
Capital Outlay	295,347	-	1,583,367	1,660,341	218,373	54,281	272,654
Driver Training	4,943	-	26,507	18,395	13,055	2,634	15,689
Food Service	500,609	-	916,134	972,750	443,993	15,847	459,840
Professional Development	79	-	48,467	39,426	9,120	1,069	10,189
Parent Education	-	-	16,000	15,978	22	-	22
Special Education	-	-	3,551,417	3,551,417	-	608	608
Vocational Education	-	-	774,961	774,961	-	34,300	34,300
Gifts and Grants	70,465	-	172,428	176,386	66,507	1,628	68,135
KPERS Special Retirement Contribution	-	-	1,497,913	1,497,913	-	-	-
Federal Grant	[409,659]	-	3,083,023	2,471,951	201,413	9,056	210,469
Contingency Reserve	110,207	-	-	-	110,207	-	110,207
Textbook and Student Material Revolving	82,981	-	225,943	21,979	286,945	25	286,970
District Activity	23,257	-	159,691	164,459	18,489	-	18,489
Bond and Interest Funds:							
Bond and Interest #1	7,079,982	-	6,002,733	4,376,331	8,706,384	-	8,706,384
Capital Project Funds:							
2023-A Bond	-	-	-	89,538	[89,538]	89,538	-
Total	$ 8,041,268	$ -	$ 35,413,780	$ 33,412,045	$ 10,043,003	$ 644,724	$ 10,687,727

Composition of Cash:		
Kaw Valley State Bank		
Checking Accounts		2,661,054
Money Market		383,450
Central Bank of the Midwest		
Money Market		1,804,305
Kansas Municipal Investment Pool		
Overnight Investment Pool		6,245,232
Cash Balance		11,094,041
Less: Agency Funds per Schedule 3		[406,314]
Total Reporting Entity (Excluding Agency Funds)		$ 10,687,727

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

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 491 (the District) is a municipal corporation governed by an elected seven-member board.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity, since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no related municipal entities that are included in the District's reporting entity.

Basis of Accounting

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

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

Regulatory Basis Fund Types

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 regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

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

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended for the year ended June 30, 2023 for the General and Professional Development funds.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, agency funds, and the following special purpose funds: Textbook and Student Material Revolving, Contingency Reserve, and District Activities.

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.

Expenditures in the amount of $277,639 and $135,150 are classified as reimbursed expenses in the General, and ,Special Education funds, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

NOTE 2 - Deposits and Investments

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

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

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 2 - Deposits and Investments (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's designated "peak periods" are from January 1 through February 28, April 16 through April 17, May 1 through May 15, and June 15 through July 10 at Kaw Valley Bank, and January 20 through February 13, May 1 through May 18, and June 5 through July 31 at Central Bank of the Midwest. All deposits were legally secured at June 30, 2023.

As of June 30, 2023, the District's carrying amount of deposits was $11,094,041 and the bank balance was $11,897,706. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and $11,397,706 was collateralized with securities held by the pledging financial institutions' agents in the District's name, and the balance was unsecured under a designated peak period.

NOTE 3 - Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 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.

NOTE 3 - Defined Benefit Pension Plan (Continued)

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 $1,497,913 for the year ended June 30, 2023.

Net Pension Liability. As of June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $14,553,129. 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 KPERS website at www.kpers.org or can be obtained as described above.

NOTE 4 - 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 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.

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 5 - Compensated Absences

The District's policies regarding vacation pay permit full-time classified employees to accumulate vacation days as follows:

Years of Service	Days per Year
1 - 5	12
6 - 10	15
11 - 15	18
16 or more	21

Unused vacation to be carried over at the end of the year may not exceed 10 days. The total possible accumulation of unused vacation is 31 days.

NOTE 5 - Compensated Absences (Continued)

The District's leave policies are as follows:

Classified Employees - Classified employees earn leave at the rate of one day for each month of service. Employees with 35 or more days of accumulated leave may, at their option, be paid for unused current leave days at the rate of $20 per day and will be paid at the conclusion of each school year.

Classified employees terminating their employment will be paid based on their ending daily rate for each day of adjusted accumulated leave, but only to the limit of accumulation their job allows.

Certified Personnel - A teacher with at least 15 years' experience within U.S.D. No. 491 will receive payment for all accumulated leave days at $75 per day upon leaving the District's employment.

Each teacher shall have the option of receiving payment for unused current leave or the teacher may transfer one or more days of the unused leave to his or her personal leave account. Payment for unused leave shall be $50 per day.

The estimated unused compensated absences as of June 30, 2023 is $298,226.

NOTE 6 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2023.

NOTE 7 - 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 8 - Long-Term Debt

The following table summarizes changes in long-term debt for the year ended June 30, 2023:

Issue	Principal Outstanding July 1, 2022	Additions to Principal	Reductions of Principal	Principal Outstanding June 30, 2023	Interest Paid
General Obligation Bonds:					
Series 2011-A	$ 275,000	$ -	$ 75,000	$ 200,000	$ 10,500
Series 2016	30,490,000	-	450,000	30,040,000	818,131
Series 2019-A	8,875,000	-	695,000	8,180,000	216,748
Series 2019-B	4,965,000	-	-	4,965,000	215,925
Series 2020	2,355,000	-	1,880,000	475,000	14,999
Total General Obligation Bonds	46,960,000	-	3,100,000	43,860,000	1,276,303
Finance Leases:					
Technology Sustainability Computers	56,170	-	56,170	-	1,067
High School Stadium & Turf Upgrades	1,250,000	-	-	1,250,000	-
Apple Macbooks	-	201,069	51,545	149,524	-
Total Finance Leases	1,306,170	201,069	107,715	1,399,524	1,067
Total Long Term Debt	$48,266,170	$ 201,069	$3,207,715	$ 45,259,524	$1,277,370

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2023:

	Interest Rates	Date of Issue	Amount of Issue	Principal Outstanding June 30, 2023	Date of Final Maturity
General Obligation Bonds:					
Series 2011-A	4.00 to 5.00%	3/1/2011	$ 6,655,000	$ 200,000	9/1/2029
Series 2016	1.75 to 3.00%	9/8/2016	32,330,000	30,040,000	9/1/2034
Series 2019-A	2.01 to 2.83%	12/17/2019	9,950,000	8,180,000	9/1/2029
Series 2019-B	4.00 to 4.75%	12/17/2019	4,965,000	4,965,000	9/1/2029
Series 2020	1.06%	7/29/2020	4,150,000	475,000	9/1/2025
			$58,050,000	$ 43,860,000	

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

Year Ending June 30,	Principal	Interest	Total
2024	$ 3,260,000	$ 1,220,236	$ 4,480,236
2025	3,595,000	1,138,020	4,733,020
2026	3,420,000	1,040,685	4,460,685
2027	3,490,000	933,647	4,423,647
2028	3,705,000	821,703	4,526,703
2029 - 2033	18,660,000	2,421,745	21,081,745
2034 - 2035	7,730,000	233,850	7,963,850
Total	$ 43,860,000	$ 7,809,886	$ 51,669,886

NOTE 8 - Long-Term Debt (Continued)

Legal Debt Margin. The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

Finance Leases. The following table details the District's outstanding finance leases as of June 30, 2023:

	Interest Rates	Date of Issue	Amount of Issue	Principal Outstanding June 30, 2023	Date of Final Maturity
Finance Leases:					
High School Stadium & Turf Upgrade	2.50%	5/31/2022	$1,250,000	$ 1,250,000	7/9/2028
Computer Hardware	1.70%	4/1/2023	201,069	149,524	4/1/2026
			$1,451,069	$ 1,399,524	

The annual debt service requirements to maturity for the capital lease is as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 244,672	$ 31,298	$ 275,970
2025	250,405	26,398	276,803
2026	256,274	21,377	277,651
2027	210,737	16,229	226,966
2028	216,014	10,953	226,967
2029	221,422	5,544	226,966
Total	$ 1,399,524	$ 111,799	$ 1,511,323

On April 1, 2023, the District entered into a lease-purchase agreement for $201,069 to purchase computer hardware. The lease carries a 1.70% interest rate and is scheduled to mature on May 1, 2026.

NOTE 9 - Interfund Transfers

Transfers for the year ended June 30, 2023, are approved by the Board of Education and are as follows:

From	To	Amount	Regulatory Authority
General Fund	Special Education Fund	$ 2,055,646	K.S.A. 72-5167
General Fund	At Risk (K-12) Fund	1,048,190	K.S.A. 72-5167
Supplemental General Fund	At Risk (K-12) Fund	338,234	K.S.A. 72-5143
Supplemental General Fund	Bilingual Education Fund	3,054	K.S.A. 72-5143
Supplemental General Fund	Virtual Education Fund	115,497	K.S.A. 72-5143
Supplemental General Fund	Parent Education Fund	16,000	K.S.A. 72-5143
Supplemental General Fund	Special Education Fund	1,360,621	K.S.A. 72-5143
Supplemental General Fund	Vocational Education Fund	560,728	K.S.A. 72-5143
		$ 5,497,970	

NOTE 10 - Related Party Transactions

A Board of Education member's wife is the executive director of a District-related Foundation. The Foundation receives a portion of its funding from the District.

UNIFIED SCHOOL DISTRICT NO. 491
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over [Under]
General Funds:						
General	$ 11,998,159	$ [15,871]	$ 277,639	12,259,927	$ 12,259,927	$ -
Supplemental General	3,817,535	-	-	3,817,535	3,817,535	-
Special Purpose Funds:						
At Risk (K-12)	1,406,764	-	-	1,406,764	1,386,424	[20,340]
Bilingual Education	14,538	-	-	14,538	837	[13,701]
Virtual Education	142,425	-	-	142,425	115,497	[26,928]
Capital Outlay	1,926,153	-	-	1,926,153	1,660,341	[265,812]
Driver Training	33,668	-	-	33,668	18,395	[15,273]
Food Service	1,404,510	-	-	1,404,510	972,750	[431,760]
Professional Development	73,168	-	-	73,168	39,426	[33,742]
Parent Education	16,000	-	-	16,000	15,978	[22]
Special Education	3,591,260	-	135,150	3,726,410	3,551,417	[174,993]
Vocational Education	781,511	-	-	781,511	774,961	[6,550]
Gifts and Grants	247,466	-	-	247,466	176,386	[71,080]
KPERS Special Retirement Contribution	1,699,791	-	-	1,699,791	1,497,913	[201,878]
Federal Grant	1,012,595	-	-	1,012,595	2,471,951	1,459,356
Debt Service Funds:						
Bond and Interest #1	4,376,404	-	-	4,376,404	4,376,331	[73]

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
General state aid	$ 9,412,589	$ 9,919,942	$ 9,942,491	$ [22,549]
Special education state aid	1,894,667	2,055,646	2,055,646	-
Reimbursements	531,718	277,639	-	277,639
Miscellaneous	-	6,700	-	6,700
Total Receipts	11,838,974	12,259,927	11,998,137	$ 261,790
Expenditures				
Instruction	5,203,266	4,837,913	$ 5,451,880	$ [613,967]
Student support services	67	464,001	100,400	363,601
Instructional support staff	562,389	326,631	295,116	31,515
General administration	363,858	581,910	391,455	190,455
School administration	647,689	749,726	668,335	81,391
Central services	287,464	276,248	301,208	[24,960]
Operations and maintenance	320,153	1,356,203	908,334	447,869
Transportation	435,127	563,459	472,905	90,554
Transfers out	4,018,961	3,103,836	3,408,526	[304,690]
Adjustments to comply with legal max	-	-	[15,871]	15,871
Adjustments for qualifying budget credits	-	-	277,639	[277,639]
Total Expenditures	11,838,974	12,259,927	$ 12,259,927	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 491
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 985,330	$ 857,142	$ 924,665	$ [67,523]
Delinquent taxes	9,354	8,589	10,797	[2,208]
Motor vehicle taxes	114,834	96,608	114,528	[17,920]
Recreational vehicle taxes	2,587	2,603	2,714	[111]
Big truck taxes	1,523	329	3,098	[2,769]
Miscellaneous	52,668	40,713	-	40,713
State aid	2,448,013	2,581,799	2,581,799	-
Reimbursements	75,828	-	-	-
Miscellaneous	-	2,511	-	2,511
Transfers in	-	-	95,493	[95,493]
Total Receipts	3,690,137	3,590,294	$ 3,733,094	$ [142,800]
Expenditures				
Instruction	692,402	1,040,174	$ 720,225	$ 319,949
Student support services	11,381	64,648	166,500	[101,852]
Instructional support staff	191,804	288,704	203,388	85,316
General administration	24,952	10,327	27,190	[16,863]
Central services	206	19,548	220	19,328
Operations and maintenance	235,654	-	163,738	[163,738]
Transfers out	2,457,531	2,394,134	2,536,274	[142,140]
Total Expenditures	3,613,930	3,817,535	$ 3,817,535	$ -
Receipts Over [Under] Expenditures	76,207	[227,241]		
Unencumbered Cash, Beginning	206,850	283,057		
Unencumbered Cash, Ending	$ 283,057	$ 55,816		

UNIFIED SCHOOL DISTRICT NO. 491
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Transfers in	$ 1,438,719	$ 1,386,424	$ 1,406,764	$ [20,340]
Total Receipts	1,438,719	1,386,424	$ 1,406,764	$ [20,340]
Expenditures				
Instruction	1,438,719	1,386,329	$ 1,406,764	$ [20,435]
Student support	-	95	-	95
Total Expenditures	1,438,719	1,386,424	$ 1,406,764	$ [20,340]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 491
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Transfers in	$ 32,000	$ 3,054	$ 14,538	$ [11,484]
Total Receipts	32,000	3,054	$ 14,538	$ [11,484]
Expenditures				
Instruction	32,000	837	$ 14,538	$ [13,701]
Total Expenditures	32,000	837	$ 14,538	$ [13,701]
Receipts Over [Under] Expenditures	-	2,217		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 2,217		

UNIFIED SCHOOL DISTRICT NO. 491
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Transfers in	$ 125,000	$ 115,497	$ 142,425	$ [26,928]
Total Receipts	125,000	115,497	$ 142,425	$ [26,928]
Expenditures				
Instruction	125,000	-	$ 142,425	$ [142,425]
Instructional support staff	-	13,587	-	13,587
School administration	-	101,910	-	101,910
Total Expenditures	125,000	115,497	$ 142,425	$ [26,928]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 491
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem property tax	$ 611,660	$ 742,801	$ 689,557	$ 53,244
Delinquent tax	5,641	6,293	6,661	[368]
Motor vehicle tax	68,851	75,020	70,462	4,558
Recreational vehicle tax	1,542	2,046	1,670	376
Commercial vehicle tax	2,773	3,954	1,906	2,048
Miscellaneous	32,496	33,622	-	33,622
Capital outlay state aid	430,729	509,003	509,003	-
Miscellaneous	510,761	-	100,000	[100,000]
Investment income	-	9,559	-	9,559
Lease proceeds	1,250,000	201,069	-	201,069
Transfers in	1,150,289	-	-	-
Total Receipts	4,064,742	1,583,367	$ 1,379,259	$ 204,108
Expenditures				
Instruction	545,001	154,794	$ 150,000	$ 4,794
Instructional support staff	1,715,770	740,468	250,000	490,468
Student support services	-	120,160	-	120,160
School administration	2,026	1,557	2,050	[493]
Operations and maintenance	19,717	580,935	-	580,935
Transportation	27,100	-	658,000	[658,000]
Facilities acquisition and construction	1,793,946	62,427	30,000	32,427
Building improvements	-	-	635,034	[635,034]
Adjustments for qualifying budget credits	-	-	201,069	[201,069]
Total Expenditures	4,103,560	1,660,341	$ 1,926,153	$ [265,812]
Receipts Over [Under] Expenditures	[38,818]	[76,974]		
Unencumbered Cash, Beginning	334,165	295,347		
Unencumbered Cash, Ending	$ 295,347	$ 218,373		

UNIFIED SCHOOL DISTRICT NO. 491
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 9,882	$ 10,080	$ 10,125	$ [45]
Miscellaneous	17,669	16,427	18,600	[2,173]
Total Receipts	27,551	26,507	$ 28,725	$ [2,218]
Expenditures				
Instruction	20,690	18,293	$ 26,168	$ [7,875]
Vehicle operating and maintenance	4,352	102	7,500	[7,398]
Total Expenditures	25,042	18,395	$ 33,668	$ [15,273]
Receipts Over [Under] Expenditures	2,509	8,112		
Unencumbered Cash, Beginning	2,434	4,943		
Unencumbered Cash, Ending	$ 4,943	$ 13,055		

UNIFIED SCHOOL DISTRICT NO. 491
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 1,164,769	$ 533,304	$ 463,321	$ 69,983
State aid	9,425	7,682	7,920	[238]
Charges for services	56,433	373,004	432,660	[59,656]
Miscellaneous	425	2,144	-	2,144
Total Receipts	1,231,052	916,134	$ 903,901	$ 12,233
Expenditures				
Operation and maintenance	96,924	91,497	$ 131,570	$ [40,073]
Food service operation	831,010	881,253	1,272,940	[391,687]
Total Expenditures	927,934	972,750	$ 1,404,510	$ [431,760]
Receipts Over [Under] Expenditures	303,118	[56,616]		
Unencumbered Cash, Beginning	197,491	500,609		
Unencumbered Cash, Ending	$ 500,609	$ 443,993		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Miscellaneous	$ 120	$ 48,467	$ 2,500	$ 45,967
Stat aid	-	-	8,682	[8,682]
Transfers in	28,000	-	6,600	[6,600]
Total Receipts	28,120	48,467	$ 17,782	$ 30,685
Expenditures				
Instructional support services	28,041	39,426	$ 73,168	$ [33,742]
Total Expenditures	28,041	39,426	$ 73,168	$ [33,742]
Receipts Over [Under] Expenditures	79	9,041		
Unencumbered Cash, Beginning	-	79		
Unencumbered Cash, Ending	$ 79	$ 9,120		

UNIFIED SCHOOL DISTRICT NO. 491
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Transfers in	$ 15,000	$ 16,000	$ 16,000	$ -
Total Receipts	15,000	16,000	$ 16,000	$ -
Expenditures				
Student support services	15,000	15,978	$ 16,000	$ [22]
Total Expenditures	15,000	15,978	$ 16,000	$ [22]
Receipts Over [Under] Expenditures	-	22		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 22		

UNIFIED SCHOOL DISTRICT NO. 491
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Miscellaneous	$ -	$ -	$ 250,000	$ [250,000]
Reimbursements	183,175	135,150	-	135,150
Transfers in	3,219,777	3,416,267	3,341,260	75,007
Total Receipts	3,402,952	3,551,417	$ 3,591,260	$ [39,843]
Expenditures				
Instruction	3,285,326	3,392,441	$ 3,467,627	$ [75,186]
Transportation	117,626	158,976	123,633	35,343
Adjustments for qualifying budget credits	-	-	135,150	[135,150]
Total Expenditures	3,402,952	3,551,417	$ 3,726,410	$ [174,993]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 491
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Federal aid	$ 8,178	$ 7,179	$ 96,500	$ [89,321]
Tuition	211,363	207,054	260,000	[52,946]
Miscellaneous	4,249	-	-	-
Transfers in	467,706	560,728	425,011	135,717
Total Receipts	691,496	774,961	$ 781,511	$ [6,550]
Expenditures				
Instruction	521,521	604,935	$ 587,691	$ 17,244
School administration	112,236	103,070	193,820	[90,750]
Operations and maintenance	57,739	66,956	-	66,956
Total Expenditures	691,496	774,961	$ 781,511	$ [6,550]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 491
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 30,000	$ -	$ 30,000	$ [30,000]
Miscellaneous	165,725	172,428	147,000	25,428
Total Receipts	195,725	172,428	$ 177,000	$ [4,572]
Expenditures				
Instruction	128,955	130,307	$ 242,466	$ [112,159]
Student support services	7,311	-	-	-
Instructional support staff	545	-	-	-
General administration	4,391	46,079	-	46,079
Food service operations	-	-	5,000	[5,000]
Total Expenditures	141,202	176,386	$ 247,466	$ [71,080]
Receipts Over [Under] Expenditures	54,523	[3,958]		
Unencumbered Cash, Beginning	15,942	70,465		
Unencumbered Cash, Ending	$ 70,465	$ 66,507		

UNIFIED SCHOOL DISTRICT NO. 491
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
KPERS state aid	$ 1,478,079	$ 1,497,913	$ 1,699,791	$ [201,878]
Total Receipts	1,478,079	1,497,913	$ 1,699,791	$ [201,878]
Expenditures				
Instruction	1,275,556	748,957	$ 849,896	$ [100,939]
Student support services	91,111	224,687	254,969	[30,282]
Instructional support services	27,333	114,590	130,034	[15,444]
General administration	9,111	142,302	161,480	[19,178]
School administration	27,333	11,486	13,034	[1,548]
Central services	9,111	11,044	12,532	[1,488]
Operations and maintenance	9,111	110,183	125,033	[14,850]
Food service	13,667	112,642	127,823	[15,181]
Transportation	15,746	22,022	24,990	[2,968]
Total Expenditures	1,478,079	1,497,913	$ 1,699,791	$ [201,878]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 491
Federal Grant Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023

	Title I	Title I Migrant	Title IIA	ESSR	Actual	Budget	Variance Over [Under]
Receipts							
Federal aid	$ 165,515	$ 1,268,790	$ 54,440	$ 1,594,278	$ 3,083,023	$ 1,422,254	$ 1,660,769
Total Receipts	165,515	1,268,790	54,440	1,594,278	3,083,023	$ 1,422,254	$ 1,660,769
Expenditures							
Instruction	196,591	-	44,604	699,342	940,537	$ 392,000	$ 548,537
Student support services	-	1,299,050	-	-	1,299,050	555,595	743,455
Instructional support staff	-	42,915	-	153,718	196,633	65,000	131,633
General administration	-	1,357	-	-	1,357	-	1,357
Operations and maintenance	-	-	-	34,374	34,374	-	34,374
Total Expenditures	196,591	1,343,322	44,604	887,434	2,471,951	$ 1,012,595	$ 1,459,356
Receipts Over [Under] Expenditures	[31,076]	[74,532]	9,836	706,844	611,072		
Unencumbered Cash, Beginning	25,943	272,319	[9,083]	[698,838]	[409,659]		
Unencumbered Cash, Ending	$ [5,133]	$ 197,787	$ 753	$ 8,006	$ 201,413		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ -	$ -
Total Receipts	-	-
Expenditures		
Transfers out	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	110,207	110,207
Unencumbered Cash, Ending	$ 110,207	$ 110,207

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 491
Textbook and Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous	$ 73,280	$ 225,943
Total Receipts	73,280	225,943
Expenditures		
Instruction	60,246	489
Instructional support staff	12,629	21,490
Total Expenditures	72,875	21,979
Receipts Over [Under] Expenditures	405	203,964
Unencumbered Cash, Beginning	82,576	82,981
Unencumbered Cash, Ending	$ 82,981	$ 286,945

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 491
Bond and Interest Fund #1
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 2,131,009	$ 2,449,834	$ 2,405,901	$ 43,933
Delinquent taxes	20,512	16,367	23,353	[6,986]
Motor vehicle taxes	224,293	247,115	246,572	543
Recreational vehicle taxes	27,828	14,183	5,842	8,341
Big truck taxes	2,767	2,498	6,670	[4,172]
Miscellaneous	113,924	118,054	-	118,054
Interest income	-	134,527	-	134,527
State aid	2,601,278	3,020,155	2,932,123	88,032
Total Receipts	5,121,611	6,002,733	$ 5,620,461	$ 382,272
Expenditures				
Principal	3,050,000	3,100,000	$ 3,100,000	$ -
Interest and other bond charges	1,328,007	1,276,331	1,276,404	[73]
Total Expenditures	4,378,007	4,376,331	$ 4,376,404	$ [73]
Receipts Over [Under] Expenditures	743,604	1,626,402		
Unencumbered Cash, Beginning	6,336,378	7,079,982		
Unencumbered Cash, Ending	$ 7,079,982	$ 8,706,384		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
2023-A Bond Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2023 and 2022

	Prior Year Actual	Current Year Actual
Receipts		
Bond proceeds	$ -	$ -
Total Receipts	-	-
Expenditures		
Facility acquisition and construction	-	89,538
Total Expenditures	-	89,538
Receipts Over [Under] Expenditures	-	[89,538]
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ [89,538]

* This fund is not required to be budgeted.

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UNIFIED SCHOOL DISTRICT NO. 491
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
Eudora Elementary School:				
Art	$ 1,494	$ -	$ -	$ 1,494
Cardinal Club	1,022	-	147	875
Care Fund	545	-	-	545
Caring Community	2,317	1,000	219	3,098
Drama Club	2,499	-	-	2,499
Library	172	5,154	4,938	388
Music	778	789	1,057	510
Newspaper	18	-	-	18
PBIS	2,241	-	28	2,213
PE Class	-	100	-	100
Pepsi	1,150	-	-	1,150
Polar Express	94	-	-	94
Preschool	359	-	151	208
Principal's Council	24,860	17,466	13,509	28,817
Science Fair	384	-	58	326
Total Eudora Elementary Activity Funds	37,933	24,509	20,107	42,335
Eudora Middle School				
Art	300	-	-	300
Box Tops for Education	474	47	-	521
Cardinal Ambassadors	493	-	-	493
Cardinals Care Fund	1,094	-	-	1,094
Cardinal Club	278	1,718	555	1,441
Cardinal Fit	150	-	-	150
Cardinal LinkUP	2,083	-	311	1,772
Conditioning	5,373	11,901	5,000	12,274
Cross Country	1,531	-	173	1,358
Dance Club	58	-	-	58
Drama Club	693	242	159	776
Enrichment Program	47	-	47	-
FBLA	810	-	-	810
FCA	548	-	-	548
Football	1,261	477	238	1,500
Garden Club	605	-	-	605
Girls Basketball	531	-	-	531
KAY Club	151	-	-	151
MTSS	1,435	660	690	1,405
Pep Club	49	195	-	244
Pepsi	99	155	234	20
Reading Club	3,123	1,738	1,901	2,960
Science Club	720	-	-	720
Student Council	3,794	2,496	3,054	3,236
Science Olympiad	500	1,300	1,079	721
Track	376	455	318	513
Vocal Music	1,201	400	1,237	364
Yearbook	6,561	2,464	2,775	6,250
Youth Prevention	814	6,900	6,410	1,304
Total Eudora Middle School Activity Funds	35,152	31,148	24,181	42,119

UNIFIED SCHOOL DISTRICT NO. 491
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
Eudora High School				
Activity 101	$ 3,171	$ 4,141	$ 2,657	$ 4,655
Alternative/Virtual	931	-	300	631
Art	1,825	500	139	2,186
Band Club	4,013	17,792	19,105	2,700
Banners Donations	3,186	21,628	23,159	1,655
Baseball Club	4,826	12,962	7,473	10,315
Boys Basketball Club	1,606	12,271	12,010	1,867
Bullet Journalism Club	305	16	321	-
Caleb Ostronic Fund	20	-	-	20
Cheer and Dance Festival	2,885	-	-	2,885
Cheerleader	2,543	14,777	15,158	2,162
Chess Club	110	-	-	110
Choir	11,269	4,828	12,662	3,435
Class 2022	37,684	-	37,684	-
Class 2023	4,407	31,959	3,566	32,800
Class 2023 Senior Trip	-	31,770	23,264	8,506
Class 2024	6,075	4,660	2,169	8,566
Class 2025	2,446	3,155	-	5,601
Class 2026	-	2,165	-	2,165
Concessions	10,035	36,780	35,752	11,063
Courtesy Club	641	550	783	408
Cross Country	5,823	11,285	10,467	6,641
Cycling Club	555	100	-	655
Color Guard	-	1,773	172	1,601
Dance Team	2,065	-	150	1,915
Douglas County Youth Board	1,250	3,050	2,823	1,477
Drama Club	1,524	-	-	1,524
Economics Class	302	-	-	302
Environmental Club	318	-	-	318
EHS Office Courtesy Club	-	610	129	481
FBLA	6,353	6,718	4,145	8,926
FCA	580	155	466	269
FFA	10,050	30,757	25,478	15,329
Football	483	9,848	9,006	1,325
Forensics Debate	922	117	852	187
Garden	103	-	-	103
Girls Basketball	2,779	3,714	3,798	2,695
Golf	3,342	13,235	12,584	3,993
Grant - Raytheon Math Hero	49	-	49	-
GSA	-	327	-	327
History Day	-	1,000	400	600
International Club	639	310	39	910
KSHSAA Music Festival	1,081	-	-	1,081
Library Fund	1,001	150	70	1,081
Life Skills Class	545	155	296	404
Mental Health Committee	200	-	-	200
Moeckel Science Club	-	250	-	250
Newspaper	556	-	-	556
NHS	1,479	389	935	933
Physics Club	21	-	-	21
Play & Musical	4,594	3,945	5,358	3,181
Powerlifting	-	1,963	1,486	477
SADD	4,430	-	-	4,430
Subtotal Eudora High School Activity Funds	149,022	289,805	274,905	163,922

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
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
Eudora High School				
Scholars Bowl	$ 909	$ 543	$ 346	$ 1,106
Scholarships	22,050	23,520	20,250	25,320
Science Dept	500	-	26	474
Science Olympiad	3,983	4,831	7,292	1,522
Senior Advisory Comm.	3,344	673	946	3,071
SkillsUSA:Auto Collision	6,269	19,734	22,199	3,804
SkillsUSA: Culinary arts	14,751	26,035	25,655	15,131
SkillsUSA: Drafting	1,655	392	1,007	1,040
SkillsUSA: Health careers	15,332	5,998	6,431	14,899
SkillsUSA:Industrial Tech	1,537	893	1,595	835
SkillsUSA: Visual arts	1,113	163	1,048	228
SkillsUSA: Yearbook	41,025	19,835	21,526	39,334
SOAR	11,353	10,741	10,052	12,042
Soccer - Boys	1,545	11,494	12,171	868
Soccer - Girls	2,203	11,118	9,358	3,963
Softball	7,707	9,972	7,362	10,317
Student council	1,492	3,742	2,896	2,338
Summer conditioning	5,036	5,380	5,201	5,215
Testing fees	294	561	594	261
Textbook	622	-	-	622
Track	679	936	1,252	363
Travel Club (formerly Close-Up club)	392	-	-	392
Uncategorized	-	9,861	9,635	226
Unified Bowling	-	2,866	200	2,666
Video club	1,201	325	190	1,336
Volleyball	1,180	1,174	194	2,160
Volleyball - Dig Pink	5,101	3,774	6,500	2,375
Wrestling	3,448	6,598	4,774	5,272
Total Eudora High School Activity Funds	303,743	470,964	453,605	321,102
Total All School Activity Funds	376,828	526,621	497,893	405,556
Clearing Account	1,584	94,272	95,098	758
Total Agency Funds	$ 378,412	$ 620,893	$ 592,991	$ 406,314

UNIFIED SCHOOL DISTRICT NO. 491
District Activity Funds
Schedule 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	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
District activity funds:							
Eudora High School							
Revolving Gate Entry	$ 2,134	$ -	$ 58,671	$ 60,251	$ 554	$ -	$ 554
Driver's Education	16,427	-	16,280	16,427	16,280	-	16,280
Users Fees	695	-	10,646	11,041	300	-	300
Sales Tax	10	-	10,606	10,353	263	-	263
Total Eudora High School	19,266	-	96,203	98,072	17,397	-	17,397
Eudora Middle School							
Revolving Gate Entry	-	-	33,507	33,507	-	-	-
Users Fees	-	-	9,358	8,880	478	-	478
Sales Tax	-	-	3,874	3,874	-	-	-
Total Eudora Middle School	-	-	46,739	46,261	478	-	478
Eudora Elementary School							
User Fees	-	-	16,566	15,952	614	-	614
Sales Tax	-	-	183	183	-	-	-
Total Eudora Elementary School	-	-	16,749	16,135	614	-	614
District Petty Cash	3,991	-	-	3,991	-	-	-
Total	$ 23,257	$ -	$ 159,691	$ 164,459	$ 18,489	$ -	$ 18,489

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Career and Technical Education	84.048	$ -	$ 1,000	$ 1,000	$ -
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	25,943	165,515	196,591	[5,133]
Title I Migrant	84.011	272,319	1,268,790	1,343,322	197,787
Improving Teacher Quality State Grants	84.367	[9,083]	36,033	26,197	753
Student Support and Academic Enrichment Program	84.424	-	18,407	18,407	-
Education Stabilization Fund	84.425	[445,330]	1,223,785	828,775	[50,320]
Total U.S. Department of Education			2,713,530	2,414,292	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	[253,508]	415,436	103,602	58,326
Total U.S. Department of Health and Human Services			415,436	103,602	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	90,960	90,960	-
National School Lunch Program	10.555	-	397,922	397,922	-
Summer Food Service Program for Children	10.559	-	44,423	44,423	-
Total Child Nutrition Cluster			533,305	533,305	
Fresh Fruits and Vegetables	10.582		20,339	20,339	
Total U.S. Department of Agriculture			553,644	553,644	
Total Expenditures of Federal Awards			$ 3,682,610	$ 3,071,538	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 491

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

1. Organization

Unified School District No. 491, Eudora, 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. 491
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 the Uniform Guidance		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.011	Title I Migrant

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. 491
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2023

Section II - Financial Statement Findings

Current Year Findings

None noted

Prior Year Findings

None noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None noted

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. 491
Eudora, 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. 491 (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 March 11, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

March 11, 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. 491
Eudora, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 491, Eudora, 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 March 11, 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

March 11, 2024