SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 321

FINANCIAL STATEMENT WITH
SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024

Table of Contents

	Page Number
Independent Auditor's Report	1 - 4
FINANCIAL STATEMENT:	
STATEMENT 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)	5 - 6
Notes to the Financial Statement	7 - 14
SCHEDULE 1	
Summary of Expenditures – Actual and Budget (Regulatory Basis)	15
SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)	
General Fund	16
Supplemental General Fund	17
Capital Outlay Fund	18
Driver Training Fund	19
Food Service Fund	20
Bilingual Education Fund	21
Professional Development Fund	22
Parent Education Fund	23
Special Education Fund	24
Career and Postsecondary Education Fund	25
At Risk (4 Year Old) Fund	26
At Risk (K-12) Fund	27
KPERS Special Retirement Contribution Fund	28
Contingency Reserve Fund	29
Textbook and Student Material Revolving Fund	30
Title I Fund	31
Title II-A Fund	32
Title IV-A Student Services Fund	33
Title VI-B Discretionary Fund	34
Title VI-B Pass Thru Fund	35
Title VI-B Preschool Fund	36
ESSER CARES Fund	37
COVID Testing Grant Fund	38
Emergency Connectivity Fund	39
KPP Grant Fund	40
Gifts and Grants Fund	41
Safe Schools Fund	42
Construction Fund	43

Table of Contents

	Page Number
SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)	
Bond and Interest Fund	44
Scholarship Fund	45
SCHEDULE 3	
Summary of Receipts and Disbursements (Regulatory Basis) Agency Funds	46 - 47
SCHEDULE 4	
Schedule of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis) District Activity Funds	48
SINGLE AUDIT SECTION:	
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*	49 - 50
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	51 - 53
Schedule of Findings and Questioned Costs	54 - 56
Summary Schedule of Prior Year Audit Findings	57
SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures of Federal Awards	58 - 59
Notes to the Schedule of Expenditures of Federal Awards	60

SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Education
Unified School District No. 321
St. Marys, Kansas

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. 321, St. Marys, Kansas, as of and for the year ended June 30, 2024, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the 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 Unified School District No. 321, as of June 30, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 321, as of June 30, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

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 *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 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 2 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 2 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 2; 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 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 (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, summary of regulatory basis receipts and disbursements – agency funds, and schedule of receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary 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 2.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 321, as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated March 21, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 2.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Tile 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information financial statement itself, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025, on our consideration of Unified School District No. 321's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 321's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 321's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
February 25, 2025

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	$ -	$ 9,671,104	$ 9,671,104	$ -	$ 56,823	$ 56,823
Supplemental General	364,046	3,373,138	3,207,422	529,762	49,050	578,812
Special Purpose Funds:						
Capital Outlay	383,599	3,534,475	3,611,611	306,463	737,431	1,043,894
Driver Training	49,219	21,161	18,000	52,380	-	52,380
Food Service	245,188	1,083,722	1,123,263	205,647	911	206,558
Bilingual Eduction	-	1,283	-	1,283	-	1,283
Professional Development	3,870	-	-	3,870	-	3,870
Parent Education	819	30,350	31,169	-	-	-
Special Education	22,999	3,330,222	3,348,835	4,386	69	4,455
Career and Post Secondary Education	743	474,119	474,035	827	55,133	55,960
At Risk (4 Year Old)	-	11,000	11,000	-	-	-
At Risk (K-12)	75,719	1,095,626	1,170,861	484	-	484
KPERS Special Retirement Contribution	-	1,406,669	1,406,669	-	-	-
Contingency Reserve	274,597	16,273	-	290,870	-	290,870
Textbook and Student Material Revolving	4,766	29,998	21,521	13,243	4,223	17,466
Title I	141	188,744	188,885	-	6,250	6,250
Title II-A	132	54,117	51,838	2,411	3,196	5,607
Title IV-A Student Services	-	20,066	20,066	-	-	-
Title VI-B Discretionary	3,876	12,978	16,854	-	-	-
Title VI-B Pass Thru	1,042	268,284	269,000	326	1,594	1,920
Title VI-B Preschool	3,869	-	506	3,363	-	3,363

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
ESSER CARES Funds	$ 408	$ 545,000	$ 544,874	$ 534	$ 61,105	$ 61,639
COVID Testing Grant	907	63,546	64,236	217	-	217
Emergency Connectivity	-	-	-	-	-	-
KPP Grant	289	125,000	125,184	105	-	105
Gifts and Grants	2,570	20,519	20,936	2,153	3,000	5,153
Safe Schools	-	15,553	15,553	-	-	-
District Activity Funds	129,291	545,690	538,507	136,474	-	136,474
Capital Project Fund:						
Construction	102	-	-	102	-	102
Bond and Interest Fund:						
Bond and Interest	96	-	-	96	-	96
Trust Fund:						
Scholarship	2,865	-	150	2,715	-	2,715
Total Reporting Entity (Excluding Agency Funds)	$ 1,571,153	$ 25,938,637	$ 25,952,079	$ 1,557,711	$ 978,785	$ 2,536,496
Composition of Cash:						
Checking and Savings Accounts						$ 2,691,407
Agency Funds per Schedule 3						(154,911)
Total Reporting Entity (Excluding Agency Funds)						$ 2,536,496

1. REPORTING ENTITY

Unified School District No. 321 (the District) is a municipal corporation governed by a citizen-elected seven-member Board of Education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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

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

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

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

Trust Fund – Used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

3. BUDGETARY INFORMATION

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

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

If the 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 held a revenue neutral rate hearing for the year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds and the following special purpose funds:

Contingency Reserve Fund	Title IV-A Student Services Fund	KPP Grant Fund
Textbook and Student	Title VI-B Discretionary Fund	COVID Testing Grant Fund
Material Revolving Fund	Title VI-B Pass Thru Fund	District Activity Funds
Title I Fund	Title VI-B Preschool Fund	Gifts and Grants Fund
Title II-A Fund	ESSER CARES Fund	Emergency Connectivity Fund
Safe Schools 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.

4. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at June 30, 2024.

Deposits. At June 30, 2024, the District's carrying amount of deposits was $2,691,407 and the bank balance was $3,966,536. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance and the remaining $3,716,536 was collateralized with securities held by the pledging financial institutions agents in the District's name.

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Parent Education Fund	K.S.A. 72-5167	$ 14,765
General Fund	Special Education Fund	K.S.A. 72-5167	2,242,225
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	205,000
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	821,712
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	16,273
General Fund	Special Reserve Fund	K.S.A. 72-5167	319,500
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	915,000
Supplemental General Fund	Bilingual Education	K.S.A. 72-5143	1,283
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	243,000
Supplemental General Fund	At Risk (4 Yr Old) Fund	K.S.A. 72-5143	11,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	273,914
Supplemental General Fund	Special Reserve Fund	K.S.A. 72-5143	21,500

DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

The 2015 Legislature passed and the Governor approved Senate Bill 228 authorizing the issuance of $1.0 billion in pension obligation bonds to fund a portion of the School-Group's unfunded actuarial liability. The bonds were successfully issued in August 2015 and the proceeds transferred to the System.

The 2021 Legislature passed House Bill 2405, which authorized the State of Kansas to issue pension obligation bonds, series 2021K, net proceeds of $500 million to fund a portion of the School-Group's unfunded actuarial liability. The bond proceeds were received by KPERS on August 26, 2021.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,406,669 for the year ended June 30, 2024.

Net Pension Liability

At June 30, 2024, the District's proportionate share of the net collective pension liability reported by KPERS was $12,656,720. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Sick Leave. The District provides sick leave for classified staff. Classified staff are allowed 12 days of sick leave per year after two consecutive months of employment. These may be accumulated to 60 days, with

the use of the additional 12 days allowed for those with maximum accumulation of leave.
Vacation Leave. The District provides vacation leave to classified personnel after one year of service and does not accumulate. Employees leaving the District shall be paid for accrued vacation time at their regular daily rate. This leave is earned at the following rates:

Years of Service	Vacation Time
1-5 Years	2 Weeks
6-15 Years	3 Weeks
Over 15 Years	4 Weeks

Personal Leave. The District provides personal leave to classified staff. Classified staff are allowed two days per year, accumulative to three days.

Universal Leave. Certified staff are granted Universal leave which includes days previously termed sick personal, and flex leave. The universal leave is earned at the following rates:

Years of Service	Universal Leave
1-5 Years	50 days
6-10 Years	51 days
Over 11 Years	52 days

Teachers using one or fewer sick leave days during the school year will receive a bonus of $100. Payment for non-used universal leave is based on a minimum accumulation of 20 days to become eligible for payment. Payments to the individual is to be made upon retirement, reduction in force, resignation (prior to June 1 of contract year), death, or long-term disability. The payment rate is based on 100% of accumulated days at the rate of $50 per day.

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 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, 2024.

Termination Benefits. The District provides an early retirement program for certain eligible employees. An employee is eligible for early retirement if such employee (a) is currently a full-time employee of the school district, (b) is not eligible to receive full social security benefits and is retired or disabled according to the provisions of KPERS, (c) has ten or more years of full time employment service with USD 321, (d) has fully terminated contractual employment with USD 321, and (e) files an application to receive early retirement benefits in writing which shall be submitted on or before the January 5th, preceding the anticipated retirement date and includes all of the information required to be include. Those eligible

under this program may receive benefits for up to five years.
The District provides a retirement plan for eligible employees. Written notification must be given to the Superintendent on or before January 5th of the current contract year for certified staff to be eligible for this retirement benefit. Teachers and classified staff retiring from service to the district will receive a retirement supplement of not less than 30 days salary and not more than 50 days salary, based on years of service to the district. In order to be eligible for this benefit, employees must have served the district for at least 10 years and be eligible for KPERS full retirement or permanent disability benefits and, in addition, actually be receiving disability or retirement benefits according to KPERS.

7. RISKS AND UNCERTAINTIES

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to protect themselves from these risks.

The District is self-insured to provide group medical coverage. A third party administers the group medical coverage for the District. The District funds its losses based on actual claims. A stop-loss insurance contract executed with an insurance carrier covers individual claims in excess of a set amount per plan year. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed insurance coverage for the last three years.

8. RELATED PARTIES

During the year ended June 30, 2024, there were three employees related to various board members and one employee related to the superintendent.

9. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2024 through February 25, 2025, the date the financial statement was available to be issued, and determined that no subsequent events have occurred that would require recognition in the financial statements.

UNIFIED SCHOOL DISTRICT NO. 321
NOTES TO THE FINANCIAL STATEMENT
10. LONG-TERM DEBT

Changes in long-term liabilities of the District for fiscal year ended June 30, 2024, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Finance Leases									
Bus Lease	4.95%	7/19/2023	$ 855,000	2/15/2026	$ -	$ 855,000	$ 282,961	$ 572,039	$ 24,806
Copier Lease	0.00%	6/13/2024	154,500	6/15/2029	-	154,500	-	154,500	-
Total Contractual Indebtedness					$ -	$ 1,009,500	$ 282,961	$ 726,539	$ 24,806

Current maturities of long-term debt and interest for the next five years is as follows:

	2025	2026	2027	2028	2029	Total
Principal						
Bus Lease	$ 278,979	$ 293,060	$ -	$ -	$ -	$ 572,039
Copier Lease	30,900	30,900	30,900	30,900	30,900	154,500
Total Principal	309,879	323,960	30,900	30,900	30,900	726,539
Interest						
Bus Lease	28,788	14,708	-	-	-	43,496
Total Principal and Interest	$ 338,667	$ 338,668	$ 30,900	$ 30,900	$ 30,900	$ 770,035

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 1

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:						
General	$ 9,884,966	$ (423,429)	$ 209,567	$ 9,671,104	$ 9,671,104	$ -
Supplemental General	3,297,987	(90,565)	-	3,207,422	3,207,422	-
Special Purpose Funds:						
Capital Outlay	3,627,819	-	-	3,627,819	3,611,611	(16,208)
Driver Training	18,000	-	-	18,000	18,000	-
Food Service	1,123,263	-	-	1,123,263	1,123,263	-
Bilingual Education	-	-	-	-	-	-
Professional Development	-	-	-	-	-	-
Parent Education	51,990	-	-	51,990	31,169	(20,821)
Special Education	3,354,499	-	-	3,354,499	3,348,835	(5,664)
Career and Post Secondary Education	587,243	-	-	587,243	474,035	(113,208)
At Risk (4 Year Old)	11,000	-	-	11,000	11,000	-
At Risk (K-12)	1,172,211	-	-	1,172,211	1,170,861	(1,350)
KPERS Special Retirement Contribution	1,445,295	-	-	1,445,295	1,406,669	(38,626)

UNIFIED SCHOOL DISTRICT NO. 321
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
General State Aid	$ 7,302,553	$ 7,764,312	$ 7,906,598	$ (142,286)
Special Education Services Aid	1,876,449	1,697,225	1,978,368	(281,143)
Reimbursements and Other	170,581	209,567	-	209,567
Total Receipts	9,349,583	9,671,104	$ 9,884,966	$ (213,862)
Expenditures				
Instruction	3,897,439	4,312,497	$ 4,336,667	$ (24,170)
Student Support Services	417	-	500	(500)
Instructional Support Staff	194,723	201,927	230,160	(28,233)
General Administration	426,918	310,205	317,656	(7,451)
School Administration	769,718	809,151	797,700	11,451
Operations and Maintenance	12,097	13,623	18,000	(4,377)
Vehicle Operating Service	204,523	404,226	382,376	21,850
Operating Transfers	3,849,670	3,619,475	3,801,907	(182,432)
Adjustment to Comply with Legal Max	-	-	(423,429)	423,429
Legal General Fund Budget	9,355,505	9,671,104	9,461,537	209,567
Adjustment for Qualifying Budget Credits	-	-	209,567	(209,567)
Total Expenditures	9,355,505	9,671,104	$ 9,671,104	$ -
Receipts Over (Under) Expenditures	(5,922)	-		
Prior year canceled encumbrances	5,922	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	$ 3,112,981	$ 3,293,335	$ 2,858,146	$ 435,189
Delinquent Tax	6,111	6,681	7,369	(688)
Motor Vehicle Tax	69,395	65,225	64,644	581
16/20 Tax	7,431	2,224	2,539	(315)
Recreational Vehicle Tax	1,452	1,505	1,244	261
Other	424	4,168	-	4,168
Total Receipts	3,197,794	3,373,138	$ 2,933,942	$ 439,196
Expenditures				
Instruction	1,410,848	1,103,246	$ 1,053,150	$ 50,096
Student Support Services	23,344	24	10,000	(9,976)
Operations and Maintenance	498,609	638,455	561,274	77,181
Operating Transfers	1,220,514	1,465,697	1,673,563	(207,866)
Adjustment to Comply with Legal Max	-	-	(90,565)	90,565
Total Expenditures	3,153,315	3,207,422	$ 3,207,422	$ -
Receipts Over (Under) Expenditures	44,479	165,716		
Prior year canceled encumbrances	1,538	-		
Unencumbered Cash, Beginning	318,029	364,046		
Unencumbered Cash, Ending	$ 364,046	$ 529,762		

UNIFIED SCHOOL DISTRICT NO. 321
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 3,534,161	$ 3,431,735	$ 3,154,592	$ 277,143
Delinquent	6,993	7,520	8,362	(842)
Motor Vehicle Tax	82,805	77,337	76,776	561
16/20 Tax	7,822	1,860	3,015	(1,155)
Recreational Vehicle Tax	1,731	1,789	1,477	312
Other	5,800	14,234	-	14,234
Total Receipts	3,639,312	3,534,475	$ 3,244,222	$ 290,253
Expenditures				
Instruction	651,620	500,949	$ 794,819	$ (293,870)
Student Support Services	29,300	26,858	35,000	(8,142)
Operations and Maintenance	1,503,090	2,236,896	1,640,232	596,664
Transportation	443,418	427,079	357,768	69,311
Architectural and Engineering Services	357,148	419,829	800,000	(380,171)
Debt Service - Capital Outlay Note	629,469	-	-	-
Total Expenditures	3,614,045	3,611,611	$ 3,627,819	$ (16,208)
Receipts Over (Under) Expenditures	25,267	(77,136)		
Prior year canceled encumbrances	1,181	-		
Unencumbered Cash, Beginning	357,151	383,599		
Unencumbered Cash, Ending	$ 383,599	$ 306,463		

UNIFIED SCHOOL DISTRICT NO. 321
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS**)**
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
State Safety Aid	$ 9,660	$ 9,425	$ 11,475	$ (2,050)
Other	12,438	11,736	12,650	(914)
Total Receipts	22,098	21,161	$ 24,125	$ (2,964)
Expenditures				
Instruction	2,618	11,987	$ 11,500	$ 487
Vehicle Operations and Maintenance	5,774	6,013	6,500	(487)
Total Expenditures	8,392	18,000	$ 18,000	$ -
Receipts Over (Under) Expenditures	13,706	3,161		
Unencumbered Cash, Beginning	35,513	49,219		
Unencumbered Cash, Ending	$ 49,219	$ 52,380		

UNIFIED SCHOOL DISTRICT NO. 321
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
Food Service Aid	$ 6,414	$ 6,152	$ 8,600	$ (2,448)
Federal Aid:				
Child Nutrition Cluster	744,629	753,527	624,010	129,517
Local Receipts	244,719	262,649	458,800	(196,151)
Other	54,537	61,394	-	61,394
Total Receipts	1,050,299	1,083,722	$ 1,091,410	$ (7,688)
Expenditures				
Operations and Maintenance	15,148	78,822	$ 7,076	$ 71,746
Food Service Operation	1,090,323	1,044,441	1,116,187	(71,746)
Total Expenditures	1,105,471	1,123,263	$ 1,123,263	$ -
Receipts Over (Under) Expenditures	(55,172)	(39,541)		
Unencumbered Cash, Beginning	300,360	245,188		
Unencumbered Cash, Ending	$ 245,188	$ 205,647		

UNIFIED SCHOOL DISTRICT NO. 321
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ -	$ 1,283	$ -	$ 1,283
Expenditures				
Instruction	-	-	$ -	$ -
Receipts Over (Under) Expenditures	-	1,283		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 1,283		

UNIFIED SCHOOL DISTRICT NO. 321
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 1,559	$ -	$ -	$ -
Expenditures				
Instructional Support Staff	-	-	$ -	$ -
Receipts Over (Under) Expenditures	1,559	-		
Unencumbered Cash, Beginning	2,311	3,870		
Unencumbered Cash, Ending	$ 3,870	$ 3,870		

UNIFIED SCHOOL DISTRICT NO. 321
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 31,163	$ 15,585	$ 31,170	$ (15,585)
Operating Transfers	17,000	14,765	20,000	(5,235)
Total Receipts	48,163	30,350	$ 51,170	$ (20,820)
Expenditures				
Instruction	5,000	1,920	$ 5,500	$ (3,580)
Student Support Services	41,154	29,249	46,490	(17,241)
Instructional Support Staff	2,000	-	-	-
Total Expenditures	48,154	31,169	$ 51,990	$ (20,821)
Receipts Over (Under) Expenditures	9	(819)		
Unencumbered Cash, Beginning	810	819		
Unencumbered Cash, Ending	$ 819	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid:				
Medical Assistance Program (Medicaid)	$ 69,759	$ 87,947	$ 75,000	$ 12,947
Other Federal Funds	2,105	377	-	377
Other Revenue from Local Sources	200	1,698	500	1,198
Interest	34,943	82,975	36,000	46,975
Operating Transfers	2,913,773	3,157,225	3,220,000	(62,775)
Total Receipts	3,020,780	3,330,222	$ 3,331,500	$ (1,278)
Expenditures				
Instruction	2,172,217	2,479,733	$ 2,526,500	$ (46,767)
Student Support Services	366,452	485,551	374,350	111,201
Instructional Support Staff	64,266	46,577	50,025	(3,448)
School Administration	232,488	250,996	238,499	12,497
Student Transportation Service	163,194	85,978	165,125	(79,147)
Total Expenditures	2,998,617	3,348,835	$ 3,354,499	$ (5,664)
Receipts Over (Under) Expenditures	22,163	(18,613)		
Unencumbered Cash, Beginning	836	22,999		
Unencumbered Cash, Ending	$ 22,999	$ 4,386		

UNIFIED SCHOOL DISTRICT NO. 321
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid and Other	$ 21,223	$ 26,119	$ 22,595	$ 3,524
Operating Transfers	429,347	448,000	580,000	(132,000)
Total Receipts	450,570	474,119	$ 602,595	$ (128,476)
Expenditures				
Instruction	497,406	474,035	$ 587,243	$ (113,208)
Receipts Over (Under) Expenditures	(46,836)	84		
Prior year canceled encumbrances	3,691	-		
Unencumbered Cash, Beginning	43,888	743		
Unencumbered Cash, Ending	$ 743	$ 827		

UNIFIED SCHOOL DISTRICT NO. 321
AT RISK (4 YEAR OLD) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 11,000	$ 11,000	$ 11,000	$ -
Expenditures				
Instruction	11,000	11,000	$ 11,000	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS**)**
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 1,043,190	$ 1,095,626	$ 1,151,470	$ (55,844)
Expenditures				
Instruction	1,097,031	1,170,861	$ 1,172,211	$ (1,350)
Receipts Over (Under) Expenditures	(53,841)	(75,235)		
Unencumbered Cash, Beginning	129,560	75,719		
Unencumbered Cash, Ending	$ 75,719	$ 484		

UNIFIED SCHOOL DISTRICT NO. 321
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
KPERS State Aid	$ 1,344,460	$ 1,406,669	$ 1,445,295	$ (38,626)
Expenditures				
KPERS Retirement	1,344,460	1,406,669	$ 1,445,295	$ (38,626)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	$ 199,874	$ 16,273
Expenditures		
Instruction	-	-
Receipts Over (Under) Expenditures	199,874	16,273
Unencumbered Cash, Beginning	74,723	274,597
Unencumbered Cash, Ending	$ 274,597	$ 290,870

UNIFIED SCHOOL DISTRICT NO. 321
TEXTBOOK AND STUDENT MATERIAL REVOLVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS**)**
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Rental Fees	$ 43,525	$ 29,998
Expenditures		
Instruction	42,172	21,521
Receipts Over (Under) Expenditures	1,353	8,477
Unencumbered Cash, Beginning	3,413	4,766
Unencumbered Cash, Ending	$ 4,766	$ 13,243

UNIFIED SCHOOL DISTRICT NO. 321
TITLE I FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 190,372	$ 188,744
Expenditures		
Instruction	190,793	188,885
Receipts Over (Under) Expenditures	(421)	(141)
Unencumbered Cash, Beginning	562	141
Unencumbered Cash, Ending	$ 141	$ -

UNIFIED SCHOOL DISTRICT NO. 321
TITLE II-A FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 46,500	$ 54,117
Expenditures		
Instructional Support Services	46,740	51,838
Receipts Over (Under) Expenditures	(240)	2,279
Unencumbered Cash, Beginning	372	132
Unencumbered Cash, Ending	$ 132	$ 2,411

UNIFIED SCHOOL DISTRICT NO. 321
TITLE IV-A STUDENT SERVICES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 18,493	$ 20,066
Expenditures		
Instruction	18,493	20,066
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B DISCRETIONARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 12,978	$ 12,978
Expenditures		
Instruction	12,738	16,854
Receipts Over (Under) Expenditures	240	(3,876)
Prior year canceled encumbrances	3,636	-
Unencumbered Cash, Beginning	-	3,876
Unencumbered Cash, Ending	$ 3,876	$ -

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B PASS THRU FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

		Prior Year Actual		Current Year Actual
Receipts				
Federal Aid	$	244,000		268,284
Other Revenue from Local Sources		200		-
Total Receipts		244,200		268,284
Expenditures				
Student Support Services		244,135		269,000
Receipts Over (Under) Expenditures		65		(716)
Unencumbered Cash, Beginning		977		1,042
Unencumbered Cash, Ending	$	1,042	$	326

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B PRESCHOOL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 10,746	$ -
Expenditures		
Instruction	10,000	506
Receipts Over (Under) Expenditures	746	(506)
Unencumbered Cash, Beginning	3,123	3,869
Unencumbered Cash, Ending	$ 3,869	$ 3,363

UNIFIED SCHOOL DISTRICT NO. 321
ESSER CARES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 305,000	$ 545,000
Expenditures		
Instruction	293,625	520,596
Other Support Services	10,967	24,278
Total Expenditures	304,592	544,874
Receipts Over (Under) Expenditures	408	126
Unencumbered Cash, Beginning	-	408
Unencumbered Cash, Ending	$ 408	$ 534

UNIFIED SCHOOL DISTRICT NO. 321
COVID TESTING GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 85,211	$ 63,546
Expenditures		
Instruction	84,308	64,236
Receipts Over (Under) Expenditures	903	(690)
Unencumbered Cash, Beginning	4	907
Unencumbered Cash, Ending	$ 907	$ 217

UNIFIED SCHOOL DISTRICT NO. 321
EMERGENCY CONNECTIVITY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 102,125	$ -
Expenditures		
Technology	102,125	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
KPP GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Grant	$ 133,535	$ 125,000
Expenditures		
Instruction	133,246	125,184
Receipts Over (Under) Expenditures	289	(184)
Unencumbered Cash, Beginning	-	289
Unencumbered Cash, Ending	$ 289	$ 105

UNIFIED SCHOOL DISTRICT NO. 321
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 25,673	$ 19,996
Donations	586	523
Total Receipts	26,259	20,519
Expenditures		
Instruction	27,093	20,936
Receipts Over (Under) Expenditures	(834)	(417)
Prior year canceled encumbrances	1,628	-
Unencumbered Cash, Beginning	1,776	2,570
Unencumbered Cash, Ending	$ 2,570	$ 2,153

UNIFIED SCHOOL DISTRICT NO. 321
SAFE SCHOOLS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
State Aid	$ 19,040	$ 15,553
Expenditures		
Supplies	19,040	15,553
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
CONSTRUCTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Loan Proceeds	$ -	$ -
Expenditures		
Construction	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	102	102
Unencumbered Cash, Ending	$ 102	$ 102

UNIFIED SCHOOL DISTRICT NO. 321
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Revenue:		
Delinquent Taxes	$ -	$ -
Expenditures		
Debt Payments	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	96	96
Unencumbered Cash, Ending	$ 96	$ 96

UNIFIED SCHOOL DISTRICT NO. 321
SCHOLARSHIP FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Interest	$ -	$ -
Expenditures		
Scholarships	150	150
Receipts Over (Under) Expenditures	(150)	(150)
Unencumbered Cash, Beginning	3,015	2,865
Unencumbered Cash, Ending	$ 2,865	$ 2,715

UNIFIED SCHOOL DISTRICT NO. 321
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organization Funds				
Rossville High School				
FFA	$ 17,712	$ 26,397	$ 24,227	$ 19,882
FCCLA	663	10,487	9,728	1,422
High School Stuco	2,168	1,628	2,174	1,622
Junior High Stuco	1,166	3,468	4,946	(312)
FBLA	3,480	320	1,475	2,325
National Honor Society	502	-	-	502
FCA	64	-	-	64
Step / Sadd	37	1,580	642	975
Senior	440	1,912	2,319	33
Junior	1,942	8,608	9,888	662
Sophomore	3,558	(716)	809	2,033
Freshman	1,095	(266)	10	819
HS Cheer	6,268	3,015	10,250	(967)
Jr. High Cheerleaders	2,115	2,260	2,123	2,252
Dance	6,686	12,290	9,500	9,476
Band	634	241	33	842
Scholar's Bowl	133	-	-	133
Exchange Activities	508	-	-	508
Metal Shop	-	1,030	317	713
Choir	36	-	-	36
FBLA JH	24	-	-	24
RHS Activity Fee	1,423	1,470	333	2,560
RH Forensics	110	-	-	110
Subtotal Rossville High School	50,764	73,724	78,774	45,714
St. Marys High School				
FFA	9,865	15,947	15,960	9,852
FCCLA	1,312	23,407	17,894	6,825
High School Stuco	8,048	4,057	4,301	7,804
Junior High Stuco	93	3,408	3,148	353
FBLA	2,695	2,132	1,109	3,718
National Honor Society	467	1,965	1,938	494
FCA	837	-	93	744
Step / Sadd	3,577	2,065	2,028	3,614
Senior	1,645	3,557	4,777	425
Junior	3,448	4,547	3,044	4,951
Sophomore	2,596	3,128	2,573	3,151
Freshman	975	577	87	1,465
HS Cheer	3,080	6,244	6,754	2,570
Jr. High Cheerleaders	3,048	3,842	5,304	1,586

UNIFIED SCHOOL DISTRICT NO. 321
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Dance	$ 2,486	$ 5,323	$ 3,481	$ 4,328
Band	146	2,961	2,277	830
Choir	3,583	3,568	1,470	5,681
Learning Center	2,587	34	-	2,621
Multimedia Class	1,375	4,879	553	5,701
Scholar's Bowl	656	-	245	411
Foreign Language	869	-	-	869
Theater	2,760	2,224	1,101	3,883
SMJSHS Activity	4,785	755	74	5,466
Senior Composite	2,393	677	-	3,070
Debate	16	925	329	612
Subtotal St. Marys High School	63,342	96,222	78,540	81,024
Rossville Grade School				
Parents as Teachers	710	-	-	710
Wellness	1,425	-	1,425	-
Walmart Foundation	1,300	-	-	1,300
Science	173	-	-	173
Carol Jory Donation	5,000	-	-	5,000
Library	1,222	2,945	2,842	1,325
Lambotte Donations	915	-	915	-
RGS Student Bank	14	4,275	4,126	163
Aubert Playground Donations	11,823	-	11,823	-
Kelling Family	2,092	190	-	2,282
Art	313	-	-	313
Dawg House	953	-	-	953
Subtotal Rossville Grade School	25,940	7,410	21,131	12,219
St. Marys Grade School				
5/6 Grade	(99)	1,631	1,378	154
Field Trips	20	1,971	1,184	807
Student Council	849	-	-	849
Library	932	217	303	846
Social Committee	649	640	777	512
OT Grant	199	-	-	199
Playground Fence Funds	580	10,000	-	10,580
Band	200	-	-	200
Subtotal St. Marys Grade School	3,330	14,459	3,642	14,147
Total Student Organization Funds	143,376	191,815	182,087	153,104
Special Reserves	194	2,141,507	2,139,894	1,807
TOTAL AGENCY FUNDS	$ 143,570	$ 2,333,322	$ 2,321,981	$ 154,911

UNIFIED SCHOOL DISTRICT NO. 321
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

SCHEDULE 4

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Athletics and Other						
Rossville High School	$ 54,152	$ 117,802	$ 120,468	$ 51,486	$ -	$ 51,486
St.Marys High School	41,657	72,466	70,487	43,636	-	43,636
Rossville Grade School	6,019	8,754	9,559	5,214	-	5,214
St. Marys Grade School	3,792	6,221	4,433	5,580	-	5,580
Subtotal Athletics and Other	105,620	205,243	204,947	105,916	-	105,916
School Projects						
Rossville High School	8,667	1,187	303	9,551	-	9,551
St.Marys High School	11,503	5,703	3,368	13,838	-	13,838
Rossville Grade School	2,751	45	-	2,796	-	2,796
St. Marys Grade School	393	580	-	973	-	973
Subtotal School Projects	23,314	7,515	3,671	27,158	-	27,158
Revolving Funds						
Rossville High School	100	88,112	88,111	101	-	101
St.Marys High School	256	86,740	86,803	193	-	193
Rossville Grade School	1	105,495	102,400	3,096	-	3,096
St. Marys Grade School	-	52,585	52,575	10	-	10
Subtotal Revolving Fund	357	332,932	329,889	3,400	-	3,400
Total District Activity Funds	$ 129,291	$ 545,690	$ 538,507	$ 136,474	$ -	$ 136,474

UNIFIED SCHOOL DISTRICT NO. 321

SINGLE AUDIT SECTION

JUNE 30, 2024

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*

To the Board of Education of Unified School District No. 321

St. Marys, Kansas

We have audited, in accordance with the 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 statement of Unified School District No. 321 (District), as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated February 25, 2025. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 321'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 opinion on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of Unified School District No. 321's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 321's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 321's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results

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

Unified School District No. 321's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Unified School District No. 321's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Unified School District No. 321's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 321's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.

Topeka, Kansas

February 25, 2025

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

To the Board of Education Unified School District No. 321

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 321's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 321's major federal programs for the year ended June 30, 2024. Unified School District No. 321'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, Unified School District No. 321 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and the 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 Unified School District No. 321 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 Unified School District No. 321's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Unified School District No. 321'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 errors, and express and opinion on Unified School District No. 321's compliance based on our audit. Reasonable assurance is a high

level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and 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 Unified School District's No. 321's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District No. 321'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 Unified School District No. 321'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 Unified School District No. 321's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-003 to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District No. 321's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District No. 321's response was not subjected to the other auditing procedures applied in the audit of compliance and, according, we express no opinion on the response.

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

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
February 25, 2025

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 321 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. Two material weaknesses were identified, and no significant deficiencies were reported in the design or operation of internal control over financial reporting.

3. No instances of noncompliance material to the financial statements of Unified School District No. 321, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. One material weakness was identified and no significant deficiencies were reported during the audit of each major federal program.

5. The auditor's report on compliance for each major federal program for Unified School District No. 321 expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.

7. The programs tested as major programs: Child Nutrition Cluster, Assistance Listing Number 10.553, 10.555 and 10.559; and 84.425 Education Stabilization Fund.

8. The threshold for distinguishing Type A and Type B programs was $750,000 for major Federal programs.

9. Unified School District No. 321 was determined to not be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINDINGS – FINANCIAL STATEMENT

2024-001 Internal Controls over Financial Statement Presentation (Material Weakness)

Criteria: The financial statement is the responsibility of management. As such, the District's internal control over the financial statement should identify misstatements on a timely basis.

Condition: During the course of our audit, we identified significant adjustments to the trial balance that were not initially identified by the District's internal control structure. Expenditures were not posted to the proper funds causing the need for adjustments to multiple funds.

Cause: The District's policies and procedures were not designed to prepare the financial statement in conformity with the regulatory basis of accounting.

Effect: The District's financial statements required multiple adjustments to funds to ensure proper recording.

Recommendation: We recommend that the Board of Education and management review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure conformity with the regulatory basis of accounting.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures for internal control over financial reporting to ensure conformity with the regulatory basis of accounting.

2024-002 Internal Controls over Adjustments to Expenditures (Material Weakness)

Criteria: Adjustments to expenditure accounts in the general ledger should be made in a manner that is supported by proper documentation and allocation of expenditures.

Condition: During the course of our audit, we noted that the Organization moved expenditures between funds in a manner that caused negative (credit) balances in certain expenditure accounts. Moving of these expenditures were made without proper documentation and allocation.

Cause: The District's policies and procedures were not designed to prevent negative (credit) balances in certain expenditure accounts. Adjustments were made so that appropriated funds did not violate cash basis law under K.S.A 10-1113.

Effect: Certain expenditures accounts showed negative (credit) balances during and at the end of the year ended June 30, 2024.

Recommendation: We recommend that the Board of Education and management review the process of moving expenditures between funds so that negative (credit) balances are not reported in general ledger accounts. Adjustments to expenditure accounts in the general ledger should be supported by proper documentation and allocation of expenditures.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures to move expenditures between funds with proper documentation.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2024-003 Internal controls over Schedule of Expenditures of Federal Awards Preparation (Material Weakness)

Federal Agency: U.S Department of Education
Pass through entity: Kansas Department of Education
Program Name: Child Nutrition Cluster; Education Stabilization Fund
Assistance Listing Numbers: 10.553, 10.555 and 10.559; 84.425
Award Period: June 30, 2024

Criteria: According to 2 CFR 200, Subpart F, the District is required to prepare a schedule of federal expenditures, which must include the total federal awards expended as determined in accordance with §200.502. An effective internal control system exists if controls are effective in preventing or detecting material misstatements in the preparation of the schedule of federal expenditures of federal awards (the schedule). It provides reasonable assurance for the reliability of financial information and compliance with laws and regulations.

Condition: We have determined that there was an inadequate design of internal control over the preparation of the schedule during the fiscal year ended June 30, 2024. The current financial reporting process does not ensure accuracy and completeness in the preparation of the schedule by the District, as required by Uniform Guidance.

Cause: The District's policies and procedures were not designed to ensure the District's preparation of the schedule in conformity with Uniform Guidance.

Effect: The District did not prepare a complete and accurate schedule in conformity with Uniform Guidance as significant modifications were required. This increases the likelihood of a material misstatement and noncompliance with laws and regulations.

Recommendation: We recommend the Board of Education and management review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure that the District prepares the schedule conformity with Uniform Guidance.

Questioned Costs: None.

Repeat Finding: No.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper written policies and procedures for the internal control over compliance to ensure accuracy and completeness in the District's preparation of the schedule as required by Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FINDINGS – FINANCIAL STATEMENT

2023-001 Internal Controls over Financial Statement Presentation (Material Weakness)

Funding Summary: The District's internal control structure did now allow for proper preparation of the financial statement, related noted, regulatory-required supplementary information, and the schedule of expenditures of federal awards.

Status: Corrective action has not been taken see finding 2024-001

2023-002 Internal Controls over Adjustments to Expenditures (Material Weakness)

Funding Summary: The District moved expenditures between funds in a manner that caused negative (credit) balances in certain expenditure accounts. Moving of these expenditures were made without proper documentation and allocation.

Status: Corrective action has not been taken see finding 2024-002

2024-003 Internal Controls over Compliance with Kansas Statutes (Significant Deficiency)

Finding Summary: The District's policies and procedures were not designed to ensure proper conformity with budget laws associated with Kansas Statues, causing fund expenditures to be in excess of budget limits.

Status: Corrective action has been taken.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2024-004 Preparation of and Internal controls over Schedule of Expenditures of Federal Awards Preparation (Material Weakness)

Finding Summary: The District's internal control structure over the preparation of the schedule of federal awards did not ensure the accuracy and completeness in the preparation of the schedule by the District, as required by Uniform Guidance.

Status: Correct action has not been taken see finding 2024-003.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor	AL/other #	Pass-Through Entity Name	Name of Grant - Grant ID No	Federal Expenditures
EXPENDITURES OF FEDERAL AWARDS				
Child Nutrition Cluster-Cluster				
United States Department of Agriculture				
School Breakfast Program				
School Breakfast Program	10.553	Kansas State Department of Education	School Breakfast 329-3490	$ 67,439
National School Lunch Program	10.555	Kansas State Department of Education	Supply Chain Assistance 3530-3500	305,105
Summer Food Service Program for Children	10.559	Kansas State Department of Education	Cash for Commodities 3530-3500	374,009
Total United States Department of Agriculture				746,553
Total Child Nutrition Cluster-Cluster				746,553
Special Education Cluster (IDEA)-Cluster				
Department of Education				
Special Education Grants to States	84.027	Kansas State Department of Education	EHC Flo-Thru 3234-3050	272,889
Special Education Preschool Grants	84.173	Kansas State Department of Education	EC Flow-Thru 3535-3550	12,965
Total Department of Education				285,854
Total Special Education Cluster (IDEA)-Cluster				285,854
Other Programs				
United States Department of Agriculture				
Local Food for Schools Cooperative Agreement Program	10.185	Kansas State Department of Education	LFS Cooperative 3230-3020	6,975
Total United States Department of Agriculture				6,975

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor	AL/other #	Pass-Through Entity Name	Name of Grant - Grant ID No	Federal Expenditures
Department of Education				
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education	Title I Low Income 3532-3520	188,884
Career and Technical Education -- National	84.051		Carl Perkins	9,976
Indian Education Grants to Local Educational Agencies	84.060			20,342
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education	Supporting Effective Instruction 3526-3860	51,838
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education	ESSA-StudSrrt 3113-3113	20,066
Education Stabilization Fund (COVID-19)	84.425	Kansas State Department of Education	ESSER 3233-3040	544,874
Total Department of Education				835,980
Department of Health and Human Services				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (COVID-19)	93.323	Kansas State Department of Education	KDHE K-12 COVID Testing Grant	64,236
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Kansas State Department of Education	TANF-Early Learning Kansans 3323-0531	62,500
Total Department of Health and Human Services				126,736
Total Other Programs				969,691
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 2,002,098

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 321
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 321 (the District) and is presented on the regulatory basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the regulatory basis of accounting, as described in Note 2 to the District's financial statement.

3. DE MINIMIS INDIRECT COST RATE

In accordance with Section 2 U.S. *Code of Federal Regulations* Part 200.412 the District is allowed to elect to use the ten percent de minimis indirect cost rate. The District did not elect to use the 10% de minimis indirect cost rate.