UNIFIED SCHOOL DISTRICT NO. 475

Junction City, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2023

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
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October 18, 2023

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 475
Junction City, Kansas

Independent Auditor's Report

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. 475 (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 District, 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* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), KMAAG and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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.

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Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. 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 1.

Supplementary Information (Continued)
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 November 14, 2022, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2023 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information 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 itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic 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 October 18, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS						
General Funds						
General	$ -	$ 55,315,739	$ 55,315,739	$ -	$ 33,204	$ 33,204
Supplemental General	487,632	17,400,164	17,505,384	382,412	459,069	841,481
Special Purpose Funds						
Preschool-Aged At-Risk Fund	1,767,297	257,156	645,763	1,378,690	35,976	1,414,666
At-Risk (K-12) Fund	7,454,222	12,908,977	7,137,502	13,225,697	54,953	13,280,650
Bilingual Education Fund	2,443,028	2,002,500	2,413,860	2,031,668	73,929	2,105,597
Virtual Education	291,013	-	40,782	250,231	-	250,231
Capital Outlay Fund	12,872,308	13,661,198	18,111,434	8,422,072	4,427,590	12,849,662
Driver Training Fund	30,009	42,625	26,792	45,842	-	45,842
Contingency Reserve Fund	3,100,000	-	-	3,100,000	-	3,100,000
Food Service Fund	2,365,624	4,094,618	4,114,903	2,345,339	(14,125)	2,331,214
Professional Development Fund	669,840	59,496	389,125	340,211	323	340,534
Parent Education Program Fund	103,043	213,885	215,828	101,100	1,947	103,047
Special Education Fund	6,291,896	12,142,302	17,734,835	699,363	456,804	1,156,167
Career and Postsecondary Education Fund	1,257,560	1,323,182	1,271,626	1,309,116	48,946	1,358,062
KPERS Retirement Contribution Fund	-	8,351,549	8,351,549	-	-	-
Textbook Rental Fund	1,397,252	6,369	75,693	1,327,928	(21)	1,327,907
Grants Fund	66,749,403	95,870,858	37,337,342	125,282,919	842,214	126,125,133
District Activity Fund	80,291	528,590	525,685	83,196	-	83,196
Bond and Interest Fund						
Bond and Interest Fund	1,677,314	10,468,273	11,896,191	249,396	-	249,396
Capital Project Funds						
Construction Bond Refinance Fund	22,000	-	1,500	20,500	-	20,500
Fiduciary Fund						
Trust	525	-	-	525	-	525
Total Reporting Entity (Excluding Agency Funds)	$ 109,060,257	$ 234,647,481	$ 183,111,533	$ 160,596,205	$ 6,420,809	$ 167,017,014

(continued)

The accompanying notes are an integral part of this financial statement.

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2023

Composition of Cash	
Checking	
Central National Bank	$ 106,069,279
Armed Forces Bank	69,985
Investments	61,361,817
Total Cash	$ 167,501,081
Less: Agency funds per Schedule 3	(484,067)
Total Reporting Entity (Excluding Agency Funds)	$ 167,017,014

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2023

Note 1: Summary of Significant Accounting Policies

Unified School District No. 475 (the District), is a municipal corporation governed by an elected seven member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of $267,661 and $261,579 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment 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 statement 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.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District could have the following types of funds:

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 revenue 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 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 District (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the District, scholarship funds, etc.).

Agency Fund -- used to report assets held by the District in a purely custodial capacity.

Note 1: Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute) and bond and interest funds. 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing 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 statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The 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 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 revenues 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 budget expenditure authority lapses at year end.

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

Contingency Reserve Fund	Textbook and Student Material Revolving Fund
District Activity	

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

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.

Note 2: Deposits and Investments (Continued)

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

At June 30, 2023, the District has the following investments:

		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less than 1**	**1 - 2**	**Rating U.S.**
U.S. Government Agencies				
Federated Government Obligations	$ 410,239	$ 410,239	$ -	
United States Treasury Notes	62,437,548	-	62,437,548	S&P A-1+
	$ 62,847,787	$ 410,239	$ 62,437,548	

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. The District's allocation of investments as of June 30, 2023, is as follows:

Investment	**Investment**
Federated Government Obligations	1%
United States Treasury Notes	99%

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 has no designated "peak periods". All deposits were legally secured at June 30, 2023.

At June 30, 2023, the District's carrying amount of deposits was $106,069,279 and the bank balance was $111,008,553. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $320,207 was covered by federal depository insurance and the balance of $110,688,346 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Note 3: Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2023:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Refunded	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds To Be Paid With Tax Levies										
2015 Refunding	3.00 - 4.00%	6/4/2015	$ 8,700,000	9/1/2024	$ 4,655,000	$ -	$ -	$ 4,655,000	$ -	$ 81,125
2017A Construction	3.375 - 5.00%	12/21/2017	63,500,000	9/1/2043	2,175,000	-	-	-	2,175,000	108,750
2017B Refunding	3.00 - 5.00%	12/21/2017	13,995,000	9/1/2022	3,295,000	-	-	3,295,000	-	82,375
2017C Construction	2.652 - 3.909%	12/21/2017	41,500,000	9/1/2043	3,890,000	-	-	-	3,890,000	108,204
GO Bond Series 2021-A	0.25% - 2.70%	9/2/2021	71,360,000	9/1/2043	71,360,000	-	-	950,000	70,410,000	1,400,238
GO Bond Series 2021-B	3.00% - 4.00%	9/2/2021	37,175,000	9/1/2043	37,175,000	-	-	-	37,175,000	1,215,500
Finance Leases										
Computers	0.00%	7/1/2021	3,156,164	6/30/2024	1,984,003	-	-	972,505	1,011,498	79,550
Total Long-Term Debt					$ 124,534,003	$ -	$ -	$ 9,872,505	$ 114,661,498	$ 3,075,742

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2024	2025	2026	2027	2028	2029-2033	2034-2038	2039-2043	2044-2048	Total
General Obligation Bonds										
Principal	$ 2,160,000	$ 2,150,000	$ 4,620,000	$ 4,765,000	$ 4,860,000	$ 25,935,000	$ 29,140,000	$ 32,920,000	$ 7,100,000	$ 113,650,000
Interest	2,813,559	2,776,306	2,677,172	2,550,790	2,453,851	10,555,227	7,319,257	3,314,339	99,810	34,560,311
Capital Leases										
Principal	1,011,498	-	-	-	-	-	-	-	-	1,011,498
Interest	40,557	-	-	-	-	-	-	-	-	40,557
	$ 6,025,614	$ 4,926,306	$ 7,297,172	$ 7,315,790	$ 7,313,851	$ 36,490,227	$ 36,459,257	$ 36,234,339	$ 7,199,810	$ 149,262,366

Note 4: Interfund Transfers

The District made the following operating transfers during the fiscal year. The transfers were approved by the Board of Education.

Fund From	Fund To	Statutory Authority	Amount
General fund	At-Risk (K-12)	K.S.A. 72-6478	$ 10,481,772
General fund	Vocational Education	K.S.A. 72-6478	620,907
General fund	Special Education	K.S.A. 72-6478	6,736,123
General fund	Parent Education	K.S.A. 72-6478	70,000
Supplemental	Bilingual education	K.S.A. 72-6478	1,900,000
Supplemental	Special Education	K.S.A. 72-6478	3,016,464
Supplemental	Vocational Education	K.S.A. 72-6478	700,000
Supplemental	At-Risk (4 Yr Old)	K.S.A. 72-6478	616,814
Supplemental	At-Risk (K-12)	K.S.A. 72-6478	2,072,705
Grants	Bond and Interest	Board Approval	1,357,000
	Total Transfers		$ 27,571,785

Note 5: Defined Benefit Pension Plan

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

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

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.

Note 5: Defined Benefit Pension Plan (Continued)

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

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

The 2021 Legislature passed House Bill 2405, which authorizes the State of Kansas to issue bonds with net proceeds of $500 million to fund a portion of the School unfunded actuarial liability. Senate Bill 159 recertified the State/School contribution rates for Fiscal 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 $8,351,549 for the year ended June 30, 2023.

Net Pension Liability. At June 30, 2023, the District's proportionate share of the collective net pension liability reported by KPERS was $80,566,290. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non- employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2022. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 6: Termination Benefits

The District has a plan which covers administrators and teachers who voluntarily take early retirement. A teacher is eligible for early retirement if such employee is a full time employee, retiring under the provisions of KPERS with 85 points and not more than 64 years of age, has fifteen years or more of continuous service with the District, and has accumulated at least 60 days of leave. An administrator is eligible if such employee has fifteen years or more of service with the District.

Benefits are payable monthly for a maximum term of 5 years or until the recipient reaches 65 years of age. There were no costs of this plan for the year ended June 30, 2023.

The employees eligible for the retirement plan are also eligible to remain in the District health insurance plan. The retired employees will participate on the same basis as current employees.

Note 6: Termination Benefits (Continued)

The retirement benefit and health insurance contribution is not funded but is to be paid from each year's operating budget. The benefits due under the plan for the next five years are as follows:

Year	Benefits Due	Health Insurance Contribution	Total Due
2023-2024	$ 128,574	$ 171,661	$ 300,235
2024-2025	102,868	126,337	229,205
2025-2026	69,069	82,146	151,215
2026-2027	39,106	43,360	82,466
2027-2028	12,384	17,921	30,305
Total	$ 352,001	$ 441,425	$ 793,426

Note 7: Compensated Absences

It is the District's policy to pay full time classified employees unused vacation pay upon termination of employment. Vacation is earned one day per month and must be used within eighteen months of being earned. The amount of unused vacation for these employees as of June 30, 2023 was $338,020.

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1991 the District joined other Kansas school districts to participate in Risk Management Services, Inc. (RMS), a workers' compensation insurance public entity risk pool. The pool operates as a common risk management and insurance program for certain Kansas school districts. The District pays an annual premium for its workers compensation insurance coverage. The District's contractual agreement with RMS provides that RMS will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $300,000 (for each insured event). The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

Note 9: 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 disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statement of the District at June 30, 2023.

Note 10: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government 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 government 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. Under the current group health plan contract, the District is responsible for actual claims incurred under this program up to maximum claim liability limits under the contract.

Note 11: Operating Lease

On March 19, 2012 the District entered into a wide area network leasing and services agreement. The District made lease payments of $520,344 during the year ended June 30, 2023 and there are no future minimum lease payments.

In addition to the above lease agreement, the District also has an agreement with Enterprise for the lease of several vehicles, with no option to purchase.

Note 12: 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 13: Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statement to maintain consistency between periods presented. The reclassifications had no impact on previously reported unencumbered cash balances.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
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	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 55,465,392	$ (416,868)	$ 267,661	$ 55,316,185	$ 55,315,739	$ (446)
Supplemental General	17,353,256	(109,451)	261,579	17,505,384	17,505,384	-
Special Purpose Funds						
Pre-School Aged At-Risk Fund	1,015,127	-	-	1,015,127	645,763	(369,364)
At-Risk (K-12) Fund	8,125,511	-	-	8,125,511	7,137,502	(988,009)
Bilingual Education Fund	2,496,173	-	-	2,496,173	2,413,860	(82,313)
Virtual Education	100,000	-	-	100,000	40,782	(59,218)
Capital Outlay Fund	25,900,777	-	-	25,900,777	18,111,434	(7,789,343)
Driver Training Fund	53,120	-	-	53,120	26,792	(26,328)
Food Service Fund	4,635,050	-	-	4,635,050	4,114,903	(520,147)
Professional Development Fund	753,036	-	-	753,036	389,125	(363,911)
Parent Education Program Fund	225,830	-	-	225,830	215,828	(10,002)
Special Education Fund	18,788,749	-	-	18,788,749	17,734,835	(1,053,914)
Career and Postsecondary Education Fund	1,427,639	-	-	1,427,639	1,271,626	(156,013)
KPERS Retirement Contribution Fund	8,875,286	-	-	8,875,286	8,351,549	(523,737)
Bond and Interest Fund						
Bond and Interest Fund	11,897,692	-	-	11,897,692	11,896,191	(1,501)
Total of all Funds	$ 157,112,638	$ (526,319)	$ 529,240	$ 157,115,559	$ 145,171,313	$ (11,944,246)

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local sources				
Other	$ 349	$ 575	$ -	$ 575
State Aid				
Equalization aid	35,572,075	46,350,183	46,589,879	(239,696)
Special education	8,467,901	8,697,895	8,875,113	(177,218)
Mineral production tax	-	-	400	(400)
Federal aid	8,914,043	-	-	-
Reimbursements	355,827	267,086	-	267,086
Total Cash Receipts	$ 53,310,195	$ 55,315,739	$ 55,465,392	$ (149,653)
EXPENDITURES				
Instruction	$ 17,001,370	$ 18,565,674	$ 18,445,981	$ 119,693
Student support services	3,204,959	3,601,561	3,682,028	(80,467)
Instructional support staff	2,017,836	2,825,303	2,144,793	680,510
General administration	708,545	722,629	784,722	(62,093)
School administration	4,692,612	4,829,263	4,954,014	(124,751)
Central services	1,879,206	1,782,076	2,040,511	(258,435)
Operations and maintenance	3,213,309	3,264,701	3,948,857	(684,156)
Student transportation	1,731,829	1,775,845	1,907,122	(131,277)
Other support services	-	39,885	-	39,885
Transfers out	18,860,529	17,908,802	17,557,364	351,438
Adjustment to comply with legal maximum	-	-	(416,868)	416,868
Adjustments for qualifying budget credits	-	-	267,661	(267,661)
Total Expenditures	$ 53,310,195	$ 55,315,739	$ 55,316,185	$ (446)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenues				
Ad valorem taxes	$ 2,894,438	$ 3,471,567	$ 137,415	$ 3,334,152
Delinquent tax	53,383	102,066	40,996	61,070
Motor vehicle tax	363,588	383,086	388,124	(5,038)
State aid	12,813,525	13,443,270	13,528,598	(85,328)
Miscellaneous	-	175	-	175
Reimbursements	725,105	-	-	-
In lieu of taxes	16,982	-	-	-
Total Cash Receipts	$ 16,867,021	$ 17,400,164	$ 14,095,133	$ 3,305,031
EXPENDITURES				
Instruction	$ 3,932,538	$ 2,294,889	$ 4,287,120	$ (1,992,231)
Instructional support services	1,518,068	1,523,333	1,660,842	(137,509)
General administration	164,792	164,117	122,365	41,752
School administration	31,211	32,822	30,000	2,822
Central services	2,282,454	2,733,779	2,942,914	(209,135)
Operations and maintenance	1,988,068	2,450,306	2,235,650	214,656
Student Transportation	-	155	-	155
Transfers out	6,949,890	8,305,983	6,074,365	2,231,618
Adjustment to comply with legal maximum	-	-	(109,451)	109,451
Adjustment to qualifying budget credits	-	-	261,579	(261,579)
Total Expenditures	$ 16,867,021	$ 17,505,384	$ 17,505,384	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (105,220)		
UNENCUMBERED CASH - BEGINNING	487,632	487,632		
UNENCUMBERED CASH - ENDING	$ 487,632	$ 382,412		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Federal aid	$ 67,860	$ (361,674)	$ -	$ (361,674)
State aid	1,341,138	2,016	-	2,016
Transfers in	-	616,814	605,000	11,814
Total Cash Receipts	$ 1,408,998	$ 257,156	$ 605,000	$ (347,844)
EXPENDITURES				
Instruction	$ 904,168	$ 579,863	$ 886,000	$ (306,137)
Student support services	11,787	12,097	38,766	(26,669)
Instructional support services	3	154	35,394	(35,240)
General administration	48,524.00	53,649	-	53,649
School administration	114	-	54,967	(54,967)
Total Expenditures	$ 964,596	$ 645,763	$ 1,015,127	$ (369,364)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 444,402	$ (388,607)		
UNENCUMBERED CASH - BEGINNING	1,322,895	1,767,297		
UNENCUMBERED CASH - ENDING	$ 1,767,297	$ 1,378,690		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
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 Totals For The Prior Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local sources	$ 2,250	$ 4,500	$ -	$ 4,500
Federal aid	-	350,000	-	350,000
Transfers in	6,717,519	12,554,477	9,174,465	3,380,012
Total Cash Receipts	$ 6,719,769	$ 12,908,977	$ 9,174,465	$ 3,734,512
EXPENDITURES				
Instruction	$ 5,693,654	$ 6,307,445	$ 6,012,440	$ 295,005
Student support services	768,386	626,536	943,679	(317,143)
Instructional support services	677,469	84,124	1,029,250	(945,126)
School administration	56,574	76,266	65,142	11,124
Student transportation	68,844	43,131	75,000	(31,869)
Total Expenditures	$ 7,264,927	$ 7,137,502	$ 8,125,511	$ (988,009)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (545,158)	$ 5,771,475		
UNENCUMBERED CASH - BEGINNING	7,999,380	7,454,222		
UNENCUMBERED CASH - ENDING	$ 7,454,222	$ 13,225,697		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources - Reimbursed Expenditures	$ -	$ 2,500	$ -	$ 2,500
Transfers in	2,615,000	1,900,000	750,000	1,150,000
Federal aid	-	100,000	-	100,000
Total Cash Receipts	$ 2,615,000	$ 2,002,500	$ 750,000	$ 1,252,500
EXPENDITURES				
Instruction	$ 2,208,621	$ 2,331,677	$ 2,402,905	$ (71,228)
Student support services	7,464	142	11,852	(11,710)
Instructional support services	27,805	52,163	38,416	13,747
Student transportation services	34,637	29,878	43,000	(13,122)
Total Expenditures	$ 2,278,527	$ 2,413,860	$ 2,496,173	$ (82,313)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 336,473	$ (411,360)		
UNENCUMBERED CASH - BEGINNING	2,106,555	2,443,028		
UNENCUMBERED CASH - ENDING	$ 2,443,028	$ 2,031,668		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Transfers in	$ -	$ -	$ -	$ -
EXPENDITURES				
Instruction	$ 63,084	$ 40,782	$ 100,000	$ (59,218)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (63,084)	$ (40,782)		
UNENCUMBERED CASH - BEGINNING	354,097	291,013		
UNENCUMBERED CASH - ENDING	$ 291,013	$ 250,231		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenues				
Ad valorem taxes	$ 1,433,884	$ 1,918,711	$ 1,798,047	$ 120,664
Delinquent tax	62,076	90,202	20,470	69,732
Interest on idle funds	215,097	2,890,087	800,000	2,090,087
Other	54,280	944,040	985,440	(41,400)
Motor vehicle taxes	134,131	138,586	144,906	(6,320)
Flood control	2,132	-	-	-
State aid	1,228,526	1,638,142	1,638,142	-
Federal aid	3,899,286	6,677,310	13,028,463	(6,351,153)
Miscellaneous	725,376	(635,880)	-	(635,880)
Total Cash Receipts	$ 7,754,788	$ 13,661,198	$ 18,415,468	$ (4,754,270)
EXPENDITURES				
Instruction	$ 958,361	$ 206,248	$ 1,339,000	$ (1,132,752)
Central Services	562,787	655	1,552,696	(1,552,041)
Operations and maintenance	5,734,441	9,986,572	5,722,637	4,263,935
Facility acquisition & construction	-	-	17,286,444	(17,286,444)
Capital outlay	5,186,510	7,917,959	-	7,917,959
Total Expenditures	$ 12,442,099	$ 18,111,434	$ 25,900,777	$ (7,789,343)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (4,687,311)	$ (4,450,236)		
UNENCUMBERED CASH - BEGINNING	17,559,619	12,872,308		
UNENCUMBERED CASH - ENDING	$ 12,872,308	$ 8,422,072		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local source				
Other	$ -	$ -	$ 24,000	$ (24,000)
State aid	14,030	16,520	20,250	(3,730)
Charges for services	20,330	26,105	-	26,105
Total Cash Receipts	$ 34,360	$ 42,625	$ 44,250	$ (1,625)
EXPENDITURES				
Instruction	$ 32,794	$ 26,792	$ 53,120	$ (26,328)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,566	$ 15,833		
UNENCUMBERED CASH - BEGINNING	28,443	30,009		
UNENCUMBERED CASH - ENDING	$ 30,009	$ 45,842		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	2022 Actual	2023 Actual
CASH RECEIPTS		
Transfers in	$ -	$ -
EXPENDITURES		
Capital outlay	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -
UNENCUMBERED CASH - BEGINNING	3,100,000	3,100,000
UNENCUMBERED CASH - ENDING	$ 3,100,000	$ 3,100,000

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Federal aid	$ 5,040,598	$ 3,295,666	$ 2,620,759	$ 674,907
State aid	35,777	21,998	25,349	(3,351)
Charges for services	36,900	762,629	759,095	3,534
Interest on idle funds	1,116	14,325	5,000	9,325
Total Cash Receipts	$ 5,114,391	$ 4,094,618	$ 3,410,203	$ 684,415
EXPENDITURES				
Instruction	$ (3)	$ 102	$ -	$ 102
Food service operation	3,622,917	3,874,369	4,447,322	(572,953)
Operations and maintenance	160,208	240,432	187,728	52,704
Total Expenditures	$ 3,783,122	$ 4,114,903	$ 4,635,050	$ (520,147)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,331,269	$ (20,285)		
UNENCUMBERED CASH - BEGINNING	1,034,355	2,365,624		
UNENCUMBERED CASH - ENDING	$ 2,365,624	$ 2,345,339		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Reimbursements	$ 910	$ 1,437	$ -	$ 1,437
State aid	-	58,059	83,198	(25,139)
Total Cash Receipts	$ 910	$ 59,496	$ 83,198	$ (23,702)
EXPENDITURES				
Instruction	$ -	$ 757	$ -	$ 757
Student support services	-	65	-	65
Central services	-	26	-	26
Instructional support	285,869	388,277	753,036	(364,759)
Total Expenditures	$ 285,869	$ 389,125	$ 753,036	$ (363,911)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (284,959)	$ (329,629)		
UNENCUMBERED CASH - BEGINNING	954,799	669,840		
UNENCUMBERED CASH - ENDING	$ 669,840	$ 340,211		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
PARENT EDUCATION PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
State aid	$ 144,797	$ 143,885	$ 143,885	$ -
Transfers in	85,000	70,000	70,000	-
Total Cash Receipts	$ 229,797	$ 213,885	$ 213,885	$ -
EXPENDITURES				
Instruction	$ 138	$ -	$ -	$ -
Student support services	219,244	215,828	225,830	(10,002)
Total Expenditures	$ 219,382	$ 215,828	$ 225,830	$ (10,002)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 10,415	$ (1,943)		
UNENCUMBERED CASH - BEGINNING	92,628	103,043		
UNENCUMBERED CASH - ENDING	$ 103,043	$ 101,100		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Transfers in	$ 15,392,901	$ 9,752,587	$ 12,597,264	$ (2,844,677)
Federal aid	3,349,246	2,314,519	3,958,301	(1,643,782)
Miscellaneous	49,391	75,196	3,000	72,196
Total Cash Receipts	$ 18,791,538	$ 12,142,302	$ 16,558,565	$ (4,416,263)
EXPENDITURES				
Instruction	$ 12,050,840	$ 13,092,090	$ 13,607,834	$ (515,744)
Student support services	3,018,045	3,160,917	3,474,919	(314,002)
Instructional support services	88,189	90,909	150,978	(60,069)
General administration	530,186	483,267	574,331	(91,064)
School administration	42,181	47,687	49,916	(2,229)
Student transportation services	822,865	854,566	925,771	(71,205)
Other services	2,038	5,399	5,000	399
Total Expenditures	$ 16,554,344	$ 17,734,835	$ 18,788,749	$ (1,053,914)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,237,194	$ (5,592,533)		
UNENCUMBERED CASH - BEGINNING	4,054,702	6,291,896		
UNENCUMBERED CASH - ENDING	$ 6,291,896	$ 699,363		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Federal aid	$ -	$ -	$ 141,214	$ (141,214)
Other	2,880	2,275	-	2,275
Transfers in	1,000,000	1,320,907	435,000	885,907
Total Cash Receipts	$ 1,002,880	$ 1,323,182	$ 576,214	$ 746,968
EXPENDITURES				
Instruction	$ 1,101,291	$ 1,267,495	$ 1,392,206	$ (124,711)
Instructional support services	490	3,143	33,933	(30,790)
Other support services	912	988	1,500	(512)
Total Expenditures	$ 1,102,693	$ 1,271,626	$ 1,427,639	$ (156,013)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (99,813)	$ 51,556		
UNENCUMBERED CASH - BEGINNING	1,357,373	1,257,560		
UNENCUMBERED CASH - ENDING	$ 1,257,560	$ 1,309,116		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
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 Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
State aid	$ 8,294,660	$ 8,351,549	$ 8,875,286	$ (523,737)
EXPENDITURES				
Instruction	$ 5,512,775	$ 5,550,583	$ 5,660,027	$ (109,444)
Student support services	964,369	970,984	977,000	(6,016)
Instructional support staff	515,435	518,972	1,070,000	(551,028)
General administration	161,482	162,541	88,753	73,788
School administration	661,629	666,166	535,000	131,166
Central services	293,951	295,966	267,000	28,966
Operations and maintenance	27,527	27,716	89,000	(61,284)
Student transportation	9,027	9,088	11,000	(1,912)
On-behalf payments	148,465	149,533	177,506	(27,973)
Total Expenditures	$ 8,294,660	$ 8,351,549	$ 8,875,286	$ (523,737)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	2022 Actual	2023 Actual
CASH RECEIPTS		
Charges for services	$ 3,640	$ 6,369
EXPENDITURES		
Instruction	$ 67,591	$ 75,693
RECEIPTS OVER (UNDER) EXPENDITURES	$ (63,951)	$ (69,324)
UNENCUMBERED CASH - BEGINNING	1,461,203	1,397,252
UNENCUMBERED CASH - ENDING	$ 1,397,252	$ 1,327,928

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Safe Schools	Title I	Title I Carryover	Title I Delinquent	Carl Perkins	Homeless	Title II-A Teacher Quality
CASH RECEIPTS							
Local Sources							
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reimbursed Expenditures	-	-	-	-	-	-	-
State Sources							
Other	132,000	-	-	-	-	-	-
Federal Sources							
Federal aid	-	1,035,343	447,753	46,538	135,869	12,118	186,810
Total Cash Receipts	$ 132,000	$ 1,035,343	$ 447,753	$ 46,538	$ 135,869	$ 12,118	$ 186,810
EXPENDITURES							
Instruction	$ -	$ 1,049,940	$ 447,753	$ 8,056	$ 87,863	$ 335	$ 720
Student support services	-	154,120	-	80,743	-	10,307	-
Instructional support staff	-	165,512	-	-	32,864	4,145	266,925
General administration	-	21,537	-	-	-	-	-
School administration	-	90,517	-	-	-	-	-
Central services	88,144	-	-	-	-	-	-
Student transportation	-	-	-	-	-	5,022	-
Operations and maintenance	43,856	1,399	-	-	-	-	-
Other support services	-	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total Expenditures	$ 132,000	$ 1,483,025	$ 447,753	$ 88,799	$ 120,727	$ 19,809	$ 267,645
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (447,682)	$ -	$ (42,261)	$ 15,142	$ (7,691)	$ (80,835)
UNENCUMBERED CASH - BEGINNING	-	(370,975)	-	11,917	(54,907)	110	(28,562)
UNENCUMBERED CASH - ENDING	$ -	$ (818,657)	$ -	$ (30,344)	$ (39,765)	$ (7,581)	$ (109,397)

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2022

	Fort Riley Project	Section 373	Title III English Lang. Acquisition	KDHE-ARP	OLDCC	Connection Project	Title IV-A Safe and Drug Free
CASH RECEIPTS							
Local Sources							
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Reimbursed expenditures	-	-	-	-	-	-	-
State Sources							
Other	-	-	-	-	-	-	-
Federal Sources							
Federal aid	44,183,244	1,810,150	50,695	815,934	20,006,086	315,028	81,681
Total Cash Receipts	$ 44,183,244	$ 1,810,150	$ 50,695	$ 815,934	$ 20,006,086	$ 315,028	$ 81,681
EXPENDITURES							
Instruction	$ -	$ 1,467,609	$ 50,695	$ -	$ 620,067	$ 224,806	$ 60,220
Student support services	-	16,159	-	470,745	-	-	20,546
Instructional support staff	-	-	-	-	-	36,298	-
General administration	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Central Services	-	312,409	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-
Operations and maintenance	22,268	-	-	383,392	-	-	-
Food service	-	-	-	-	-	-	-
Facility acquisition and construction	2,390,204	-	-	-	21,074,167	-	-
Transfers out	-	-	-	-	-	-	-
Total Expenditures	$ 2,412,472	$ 1,796,177	$ 50,695	$ 854,137	$ 21,694,234	$ 261,104	$ 80,766
RECEIPTS OVER (UNDER) EXPENDITURES	$ 41,770,772	$ 13,973	$ -	$ (38,203)	$ (1,688,148)	$ 53,924	$ 915
UNENCUMBERED CASH - BEGINNING	-	-	-	(86,250)	(2,710,726)	(53,924)	(56,349)
UNENCUMBERED CASH - ENDING	$ 41,770,772	$ 13,973	$ -	$ (124,453)	$ (4,398,874)	$ -	$ (55,434)

SCHEDULE 2 (CONTINUED)

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2022

	Gifts & Grants	Army Daycare	21st Century	Pre-K Pilot	Heavily Impact Aid	ESSER	M Vento ARP
CASH RECEIPTS							
Local Sources							
Other	$ 45,725	$ -	$ -	$ -	$ -	$ -	$ -
Reimbursed expenditures	-	-	-	-	-	-	-
State Sources							
Other	-	-	-	264,979	-	-	-
Federal Sources							
Federal aid	-	-	335,167	211,281	19,147,071	-	29,295
Total Cash Receipts	$ 45,725	$ -	$ 335,167	$ 476,260	$ 19,147,071	$ -	$ 29,295
EXPENDITURES							
Instruction	$ 44,918	$ 319	$ 296,356	$ 706,610	$ -	$ 1,270	$ 1,360
Student support services	-	-	-		-	-	52,588
Instructional support staff	-	-	41,044	-	-	-	-
General administration	-	-	-	-	-	-	-
School administration	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-
Student transportation	-	-	14,175	-	-	-	-
Operations and maintenance	129	94,382	-	-	-	-	-
Food service	-	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	283,041	-	-
Transfers out	-	-	-	-	1,357,000	-	-
Total Expenditures	$ 45,047	$ 94,701	$ 351,575	$ 706,610	$ 1,640,041	$ 1,270	$ 53,948
RECEIPTS OVER (UNDER) EXPENDITURES	$ 678	$ (94,701)	$ (16,408)	$ (230,350)	$ 17,507,030	$ (1,270)	$ (24,653)
UNENCUMBERED CASH - BEGINNING	4,402	357,916	(134,318)	(111,568)	73,543,606	-	(3,048)
UNENCUMBERED CASH - ENDING	$ 5,080	$ 263,215	$ (150,726)	$ (341,918)	$ 91,050,636	$ (1,270)	$ (27,701)

SCHEDULE 2 (CONTINUED)

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2022

	ESSER II	ESSER III	TOTALS
CASH RECEIPTS			
Local Sources			
Other	$ -	$ -	$ 45,725
Reimbursed Expenditures	-	-	-
State Sources			
Other	-	-	396,979
Federal Sources			
Federal aid	3,760,261	2,817,830	95,428,154
Total Cash Receipts	$ 3,760,261	$ 2,817,830	$ 95,870,858
EXPENDITURES			
Instruction	$ 93,818	$ 3,132,269	$ 8,294,984
Student support services	20,316	73,663	899,187
Instructional support staff	85,858	895,455	1,580,689
General administration	-	-	21,537
School administration	-	79,015	169,532
Central services	-	-	400,553
Student transportation	-	25,448	44,645
Operations and maintenance	69,041	259,924	874,391
Other support service	-	-	-
Food service	-	-	21,074,167
Facility acquisition and construction	-	-	2,673,245
Transfers out	-	-	27,292,046
Total Expenditures	$ 269,033	$ 4,465,774	$ 37,337,342
RECEIPTS OVER (UNDER) EXPENDITURES	$ 3,491,228	$ (1,647,944)	$ 58,533,516
UNENCUMBERED CASH - BEGINNING	(3,493,741)	(64,180)	66,749,403
UNENCUMBERED CASH - ENDING	$ (2,513)	$ (1,712,124)	$ 125,282,919

SCHEDULE 2 (CONTINUED)

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Ad valorem taxes	$ 888,588	$ 482,263	$ 457,925	$ 24,338
Delinquent	13,994	33,968	12,581	21,387
Motor vehicle tax	101,780	107,151	108,843	(1,692)
Other	6,308	8,167	-	8,167
State aid	4,385,216	8,479,724	8,479,724	-
Transfers in	2,289,500	1,357,000	1,350,000	7,000
Total Cash Receipts	$ 7,685,386	$ 10,468,273	$ 10,409,073	$ 59,200
EXPENDITURES				
Interest and other charges	$ 4,308,923	$ 2,996,191	$ 2,997,692	$ (1,501)
Principal	2,765,000	8,900,000	8,900,000	-
Total Expenditures	$ 7,073,923	$ 11,896,191	$ 11,897,692	$ (1,501)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 611,463	$ (1,427,918)		
UNENCUMBERED CASH - BEGINNING	1,065,851	1,677,314		
UNENCUMBERED CASH - ENDING	$ 1,677,314	$ 249,396		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CONSTRUCTION BOND FINANCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	2021 Actual	2022 Actual
CASH RECEIPTS		
Federal aid	$ (1,455,000)	$ -
Bond proceeds	(6,076)	-
Interest on idle funds	36,593	-
Total Cash Receipts	$ (1,424,483)	$ -
EXPENDITURES		
Capital outlay	$ 3,000	$ 1,500
Construction costs	6,896,815	-
Total Expenditures	$ 6,899,815	$ 1,500
RECEIPTS OVER (UNDER) EXPENDITURES	$ (8,324,298)	$ (1,500)
UNENCUMBERED CASH - BEGINNING	8,346,298	22,000
UNENCUMBERED CASH - ENDING	$ 22,000	$ 20,500

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
TRUST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2023
With Comparative Actual Totals For The Prior Year Ended June 30, 2022

	2021 Actual	2022 Actual
CASH RECEIPTS	$ -	$ -
EXPENDITURES	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -
UNENCUMBERED CASH - BEGINNING	525	525
UNENCUMBERED CASH - ENDING	$ 525	$ 525

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 475
AGENCY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance
Elementary Schools				
Eisenhower Elementary	$ 4,048	$ 10,510	$ 8,354	$ 6,204
Franklin Elementary School	8,818	16	8,834	-
Fort Riley Elementary School	14,468	9,765	9,539	14,694
Grandview Elementary School	14,619	8,323	5,639	17,303
Jefferson Elementary	1,012	-	1,012	-
Lincoln Elementary School	11,733	13,253	5,631	19,355
Milford Elementary School	6,308	5,445	5,069	6,684
Morris Hill Elementary	7,849	9,368	8,302	8,915
Seitz Elementary School	18,780	17,206	10,526	25,460
Sheridan Elementary School	6,317	10,811	6,455	10,673
Spring Valley Elementary School	32,180	8,657	17,656	23,181
Ware Elementary School	28,256	21,435	28,775	20,916
Washington Elementary School	3,941	13,295	11,100	6,136
Westwood Elementary	10,819	9,392	3,683	16,528
Early Childhood Family Network	8,259	2,865	546	10,578
Total Elementary Schools	$ 177,407	$ 140,341	$ 131,121	$ 186,627
Middle Schools				
Junction City Middle School	$ 41,533	$ 19,060	$ 21,635	$ 38,958
Fort Riley Middle School	13,421	29,965	19,683	23,703
Total Middle Schools	$ 54,954	$ 49,025	$ 41,318	$ 62,661
High School Funds				
Junction City High School	$ 198,177	$ 192,132	$ 160,963	$ 229,346
Larry Dixon Center for Innovative Studies	4,181	2,579	2,034	4,726
Total High School Funds	$ 202,358	$ 194,711	$ 162,997	$ 234,072
Devin Center Textbook Fund	$ 408	$ 537	$ 240	$ 705
TOTAL AGENCY FUNDS	$ 435,127	$ 384,614	$ 335,676	$ 484,065

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
DISTRICT ACTIVITY FUNDS
Regulatory Basis
For the Year Ended June 30, 2023

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance
Junction City High School				
Athletics Gate Receipts	$ 12,423	$ 286,666	$ 296,879	$ 2,210
Special Projects	59,413	65,592	55,918	69,087
Total Junction City High School	$ 71,836	$ 352,258	$ 352,797	$ 71,297
Junction City Middle School				
Athletics Gate Receipts	$ 1,046	$ 95,542	$ 94,593	$ 1,995
Special Projects	598	170	353	415
Total Junction City Middle School	$ 1,644	$ 95,712	$ 94,946	$ 2,410
Fort Riley Middle School				
Special Projects	$ 6,811	$ 80,620	$ 77,942	$ 9,489
TOTAL DISTRICT ACTIVITY FUNDS	$ 80,291	$ 528,590	$ 525,685	$ 83,196

VARNEY
& ASSOCIATES, CPAs, LLC



October 18, 2023

Board of Education
Unified School District No. 475
Junction City, Kansas

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 475 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated October 18, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

October 18, 2023

Board of Education
Unified School District No. 475
Junction City, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance In Accordance With the Uniform Guidance

Unmodified Opinions

We have audited Unified School District No. 475's (the District), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of 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 Unmodified Opinions

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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Auditor's Responsibilities for the Audit of Compliance (continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Award Expenditures
U.S. Department of Education			
Direct U.S. Department of Education			
Impact Aid	84.041	N/A	$ 9,838,677
Passed through Kansas Department of Education			
Special Education (IDEA) Cluster			
Title VI - Special Education	84.027	DO475	$ 32,669
Special Education - Preschool Grants	84.173	DO475	1,881,973
Subtotal Special Education (IDEA) Cluster			$ 1,914,642
Title I Grants to Local Educational Agencies	84.010	DO475	$ 2,019,576
Vocational Education Basic Grants to State	84.048	DO475	120,727
Special Education - Grants for Infants and Families	84.181	DO475	513,495
Education for Homeless Children and Youth	84.196A	DO475	19,809
Title IV 21st Century Community Learning Center	84.287	DO475	351,576
Title III English Language Acquisition	84.365	DO475	50,695
Title II-A Teacher Quality	84.367	DO475	267,645
ESSA Student Support Enrichment	84.424	DO475	80,766
COVID-19 - Emergency and Secondary School Emergency Relief II	84.425D	DO475	504,945
COVID-19 - Emergency and Secondary School Emergency Relief III	84.425U	DO475	4,465,774
COVID-19 - Emergency and Secondary School Emergency Relief - ARP	84.425W	DO475	53,948
Total U.S. Department of Education			$ 20,202,275
U.S. Department of Defense			
Direct Programs:			
The Connection Project	12.556	N/A	$ 261,104
Section 7703 of 20 U.S.C. - Impact Aid	12.558	N/A	1,669,568
Community Investment	12.600	N/A	21,694,234
Total U.S. Department of Defense			$ 23,624,906
U.S. Department of Agriculture			
Passed through State Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	DO475	$ 1,707,544
National School Lunch Program	10.555	DO475	2,385,136
Summer Food Service Program	10.559	DO475	617,918
Fresh Fruit and Vegetable Program	10.582	DO475	82,380
Subtotal Child Nutrition Cluster			$ 4,792,978
Child and Adult Care Food Program	10.558	DO475	217
Team Nutrition	10.574	DO475	2,372
Total U.S. Department of Agriculture			$ 4,795,567
U.S. Department of Health and Human Services			
Passed through State Department of Education			
COVID-19 KDHE K-12 COVID Testing Grant	93.323	DO475	$ 854,135
Temporary Assistance for Needy Families	93.558	DO475	706,610
Total U.S. Department of Health and Human Services			$ 1,560,745
TOTAL FEDERAL EXPENDITURES			$ 50,183,493

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023

Note 1: Organization

Unified School District No. 475, Junction City, 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.

Note 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 statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 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.

Note 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 at June 30, 2023.

Note 5: Outstanding Loans

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

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statement noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Reportable conditions identified 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	___ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number
COVID-19 - Emergency and Secondary School Emergency Relief	84.425D/84.425U/84.425W
Child Nutrition Cluster	10.553/10.555/10.559/10.582
Community Investment	12.600

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,505,505	
Auditee qualified as a low-risk auditee?	___ Yes	X No

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.