

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2024

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UNIFIED SCHOOL DISTRICT NO. 497
Financial Statements
For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, Kansas (the District), 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 accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 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 the District 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 1.

Basis for Adverse and Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2023 actual column 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.

We 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, 2023 (not presented herein), and have issued our report thereon dated December 4, 2023, 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: <https://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 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 25, 2024

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Period Adjustment</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
General Funds:							
General	\$ -	\$ -	\$ 84,612,468	\$ 84,612,468	\$ -	\$ 5,699,032	\$ 5,699,032
Supplemental General	1,380,653	-	27,904,369	27,011,684	2,273,338	308,075	2,581,413
Special Purpose Funds:							
Adult Basic Education	713,936	-	526,723	492,058	748,601	18,473	767,074
At Risk (4 Year Old)	54,144	-	609,469	547,386	116,227	66,495	182,722
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	2,622,184	-	12,416,172	10,695,940	4,342,416	1,397,529	5,739,945
Bilingual Education	52,541	-	669,335	618,600	103,276	76,966	180,242
Virtual Education	57,193	-	2,534,060	2,263,368	327,885	145,159	473,044
Capital Outlay	15,415,566	-	19,881,708	18,220,430	17,076,844	5,837,480	22,914,324
Driver Training	19,346	-	-	-	19,346	-	19,346
Food Service	1,837,297	-	5,060,794	5,664,581	1,233,510	317,368	1,550,878
Professional Development	250,000	-	294,309	277,441	266,868	23,724	290,592
Parent Education Program	152,686	-	230,019	193,388	189,317	8,838	198,155
Summer School	20,328	-	68,090	40,280	48,138	9,113	57,251
Special Education	4,173,106	-	30,540,323	29,557,917	5,155,512	2,689,568	7,845,080
Cost of Living	1,850,232	-	2,181,586	2,432,818	1,599,000	-	1,599,000
Career and Postsecondary Education	50,241	-	1,671,714	1,604,113	117,842	161,494	279,336
KPERS Special Retirement Contribution	-	-	9,866,764	9,866,764	-	-	-
Contingency Reserve	2,642,324	-	2,231,409	12,500	4,861,233	-	4,861,233
Student Material Revolving Grants	1,467,410 [6,784,855]	-	2,739,775 9,793,272	1,588,914 5,055,659	2,618,271 [2,047,242]	170,115 1,524,891	2,788,386 [522,351]
Bond and Interest Fund:							
Bond and Interest	14,589,086	-	15,814,522	13,924,938	16,478,670	-	16,478,670
Special Assessment	463,032	-	6	8,235	454,803	-	454,803
Business Funds:							
School Workers' Compensation Reserve	1,090,463	-	1,371,277	391,924	2,069,816	984	2,070,800
Health Care Services Reserve	1,213,949	-	13,069,303	12,348,025	1,935,227	-	1,935,227
Trust Funds:							
Private Purpose Trust	2,130,495	-	2,344,507	2,385,252	2,089,750	68,569	2,158,319
Total Reporting Entity (excluding Agency Funds)	<u>\$ 45,487,339</u>	<u>\$ -</u>	<u>\$ 246,431,974</u>	<u>\$ 229,814,683</u>	<u>\$ 62,104,630</u>	<u>\$ 18,523,873</u>	<u>\$ 80,628,503</u>

Composition of Cash:

U.S. Bank - Checking	\$ 77,941,890
Optum Bank - Imprest	25,420
Total Cash	77,967,310
Less: Agency Funds per Schedule 4	2,661,193
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 80,628,503</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 497 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$1,171,169 and \$54,167 are classified as reimbursed expenses in the General Fund and the Supplemental General Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

General Fund - used to account for the general operations of the District and all unrestricted resources except those required to be accounted for in other funds.

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

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

Trust Fund - funds used to report assets held in trust for the benefit of the District (donations and memorials, etc.)

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (enterprise and internal service funds).

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Trust Fund - funds used to report assets held in trust for the benefit of the District (donations and memorials, etc.)

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund(s), 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 rating hearing, the budget timeline for the adoption of the final budget has been adjusted to on or before September 20th. The District did hold a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2024.

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

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

A legal operating budget is not required for business funds, trust funds, agency funds, and the following special purpose funds: Contingency Reserve and Student Material Revolving.

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

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.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 2 - Deposits and Investments (Continued)

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

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

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."

As of June 30, 2024, the District's carrying amount of deposits was \$77,967,310 and the bank balance was \$78,777,933. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$26,213,078 was covered by federal depository insurance and \$52,564,855 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 - Defined Benefit Pension Plan

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

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

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 3 - Defined Benefit Pension Plan (Continued)

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 employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$9,866,764 for the year ended June 30, 2024.

Net Pension Liability. As of June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was \$95,485,839. 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 these financial statements.

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

NOTE 4 - Other Long-Term Obligations

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

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

Death and Disability Other-Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2024.

NOTE 5 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2024, the amount for accrued vacation pay was \$440,326.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 6 - Tax-Deferred 403(b) Retirement Plan

The District offers its employees a retirement plan ("Plan") created in accordance with IRS Code section 403(b). The Plan, available to all District employees, permits them to save additional funds for retirement. The investment options under the Plan include annuity contracts and/or custodial accounts. Employees may elect to make contributions of deferred salaries/wages to the Plan to the extent permitted by the Plan. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency. Plan participants are 100% vested in any elective deferral contributions made to the Plans as of the date such contribution is made.

In addition to the elective deferral plan described above, the District offers a Non-Elective Contribution Employer Paid Deferred Benefit 403(b) Plan ("Employer Paid Plan") for each professional employee employed at least half time in the District. This account is separate from any professional employee paid deferred benefit account, and no employee contributions, via salary reduction or otherwise, shall be allowed into the account.

The District contributes \$60 per month (\$720 annually), \$75 per month (\$900 annually) and \$85 per month (\$1,020 annually) into each full-time professional employee's Employer Paid Account, for classified, certified and administrative employees, respectively. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

<u>FTE</u>	<u>Contribution %</u>
.95 - 1.00	100%
.85 - .94	90%
.75 - .84	80%
.65 - .74	70%
.55 - .64	60%
.50 - .54	50%
Less than .50	0%

A professional employee's ownership in his or her Employer Paid Plan shall vest in yearly increments. A professional employee will receive one year of vesting credit for each contract year completed, starting with the 2008-09 contract year, in which the professional employee is employed at least half-time with the District. The following vesting schedule will be used to determine the professional employee's ownership interest in the funds in the account:

<u>Vesting Service</u>	<u>Vesting %</u>
Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6+	100%

A professional employee shall have access to the fully vested portion of their Employer Paid Account upon separation from service with the District. In the event the professional employee returns to a professional employee position within the District at a future date, the previous years of service will be allowed toward placement on the vesting schedule. District contributions to employees' Employer Paid Plans for the year ending June 30, 2024 was \$1,188,793.

NOTE 7 - Risk Management

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 7 - Risk Management (Continued)

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditures reported in the School Workers' Compensation Reserve Fund. As of June 30, 2024, such interfund premiums did not exceed reimbursable expenditures.

Unpaid claims are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Unpaid claims include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund.

Unpaid claims, July 1, 2023	\$ 351,839
Incurred claims (including IBNRs)	265,866
Claim payments	<u>[152,231]</u>
Unpaid claims, June 30, 2024	<u>\$ 465,474</u>

NOTE 8 - 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 statements of the District as of June 30, 2024.

On September 24, 2015, the Universal Service Administrative Company (USAC) rescinded certain e-rate reimbursements received by the District for the 2011-2012 through 2013-2014 funding years and denied e-rate reimbursements for the 2014-2015 through 2015-2016 funding years because of competitive bidding violations. The amount of the District's potential liability due to these rescinded reimbursements is approximately \$500,000. The District has filed an appeal with the Federal Communication Commission, but a response to the appeal has not been received as of the date of the financial statements.

The District is a defendant in various other lawsuits. The outcome of these lawsuits is not presently determinable. However, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

NOTE 9 - Early Retirement Benefits

The District has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full-time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employee Retirement System (KPERS).

The benefits from this plan are computed using a formula based upon salary, age, and KPERS service credit and are payable over a five-year period in January each year. The cost of this plan in the fiscal year ended June 30, 2024 was \$1,262,752.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 9 - Early Retirement Benefits (Continued)

The outstanding liability for this plan is as follows:

Year ended <u>June 30,</u>	
2025	\$ 1,139,016
2026	827,515
2027	627,427
2028	318,584
2029	<u>202,318</u>
	<u>\$ 3,114,860</u>

NOTE 10 - Long-Term Debt

The following table details the District's long-term liabilities, including finance leases, as of June 30, 2024:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2024</u>
General Obligation Bonds:					
Series 2012-A Refunding	12/15/2012	9/1/2025	2.00%	\$ 9,890,000	\$ 8,470,000
Series 2013-A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	25,875,000
Series 2014 A Improvement	12/18/2014	9/1/2034	2.00 - 5.00%	36,000,000	27,200,000
Series 2016-A Refunding & Improvement	1/28/2016	9/1/2035	3.00 - 5.00%	44,045,000	10,390,000
Series 2017-A Improvement	9/28/2017	9/1/2037	3.00 - 5.00%	43,500,000	37,650,000
Series 2018-A Improvement	10/11/2018	9/1/2037	2.50 - 5.00%	43,500,000	40,175,000
Finance Leases:					
Energy savings equipment	7/12/2006	10/12/2025	4.90%	1,683,575	272,287
Facilities & operations real estate	12/15/2017	6/15/2027	2.70%	4,837,711	1,588,276
Field turf	5/22/2018	5/1/2028	3.35%	5,829,030	2,312,229
ESC improvements	2/13/2020	2/1/2030	2.09%	3,000,000	1,872,803
Technology equipment	3/3/2023	3/3/2025	0.00%	3,219,816	1,073,272
Technology equipment	10/12/2023	10/12/2025	0.00%	<u>2,967,225</u>	<u>1,978,150</u>
				<u>\$ 234,472,357</u>	<u>\$ 158,857,016</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 10 - Long-Term Debt (Continued)

The following table summarizes changes in long-term debt for the year ended June 30, 2024:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
G.O. Bonds To Be Paid With:					
Tax Levies					
Series 2012-A Refunding	\$ 8,595,000	\$ -	\$ 125,000	\$ 8,470,000	\$ 170,650
Series 2013-A Improvement	27,150,000	-	1,275,000	25,875,000	1,080,613
Series 2014 A Improvement	28,250,000	-	1,050,000	27,200,000	991,750
Series 2016-A Refunding & Improvement	14,775,000	-	4,385,000	10,390,000	546,925
Series 2017-A Improvement	38,275,000	-	625,000	37,650,000	1,458,156
Series 2018-A Improvement	40,775,000	-	600,000	40,175,000	1,616,844
	<u>157,820,000</u>	<u>-</u>	<u>8,060,000</u>	<u>149,760,000</u>	<u>5,864,938</u>
Finance Leases					
Energy savings equipment	382,257	-	109,970	272,287	29,244
Facilities & operations real estate	2,089,931	-	501,655	1,588,276	53,065
Field turf	2,843,346	-	531,117	2,312,229	80,678
Technology equipment	421,636	-	421,636	-	9,034
Technology equipment	-	2,967,225	989,075	1,978,150	-
ESC improvements	2,162,897	-	290,095	1,872,803	43,592
Technology equipment	1,067,288	-	1,067,288	-	-
Technology equipment	2,146,544	-	1,073,272	1,073,272	-
	<u>11,113,898</u>	<u>2,967,225</u>	<u>4,984,107</u>	<u>9,097,016</u>	<u>215,612</u>
Total	<u>\$ 168,933,898</u>	<u>\$ 2,967,225</u>	<u>\$ 13,044,107</u>	<u>\$ 158,857,016</u>	<u>\$ 6,080,550</u>

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

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 8,455,000	\$ 5,542,238	\$ 13,997,238
2026	8,705,000	5,294,550	13,999,550
2027	8,875,000	4,992,125	13,867,125
2028	9,255,000	4,624,088	13,879,088
2029	9,660,000	4,235,288	13,895,288
2030 - 2034	54,390,000	16,045,163	70,435,163
2035 - 2038	50,420,000	4,647,250	55,067,250
	<u>\$ 149,760,000</u>	<u>\$ 45,380,700</u>	<u>\$ 195,140,700</u>

The annual debt service requirements to maturity for the finance leases are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,529,853	\$ -	\$ 3,529,853
2026	2,547,881	134,057	2,681,937
2027	1,433,152	67,050	1,500,201
2028	935,794	32,892	968,686
2029	650,337	17,037	667,375
	<u>\$ 9,097,016</u>	<u>\$ 251,036</u>	<u>\$ 9,348,052</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 10 - Long-Term Debt (Continued)

The District is subject Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-5457.

NOTE 11 - Subsequent Event

On August 26, 2024, the District entered into a finance lease agreement to purchase data center equipment in the amount of \$804,617. Terms of the agreement call for annual principal and interest payments of \$287,538. The lease carries a 5.79% interest rate and is scheduled to mature on November 1, 2026.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 12 - Interfund Transfers

Transfers for the year ended June 30, 2024, are approved by the Board of Education and are as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Regulatory Authority</u>
General	Bilingual Education	\$ 405,000	K.S.A. 72-6478
General	Virtual Education	2,504,000	K.S.A. 72-6478
General	Food Service	82,846	K.S.A. 72-6478
General	Professional Development	250,000	K.S.A. 72-6478
General	Summer School	50,000	K.S.A. 72-6478
General	Special Education	15,120,343	K.S.A. 72-6478
General	Career and Postsecondary Education	1,165,000	K.S.A. 72-6478
General	Contingency Reserve	2,231,409	K.S.A. 72-6478
General	At Risk (4 Year Old)	487,092	K.S.A. 72-6478
General	At Risk (K-12)	9,481,997	K.S.A. 72-6478
General	Health Care Service Reserve	5,017,690	K.S.A. 72-8415a
General	School Workers' Compensation Reserve	1,149,364	K.S.A. 44-505e
General	Student Material Revolving	2,000,000	K.S.A. 72-6478
Supplemental General	Bilingual Education	261,488	K.S.A. 72-6478
Supplemental General	Parent Education Program	43,000	K.S.A. 72-6478
Supplemental General	Special Education	10,158,851	K.S.A. 72-6478
Supplemental General	At Risk (4 Year Old)	100,000	K.S.A. 72-6478
Supplemental General	At Risk (K-12)	2,887,150	K.S.A. 72-6478
Supplemental General	Career and Postsecondary Education	500,000	K.S.A. 72-6478
Supplemental General	Health Care Service Reserve	851,996	K.S.A. 72-8415a
Food Service	Health Care Service Reserve	365,065	K.S.A. 72-8415a
Career and Postsecondary Education	Health Care Service Reserve	129,809	K.S.A. 72-8415a
Special Education	Health Care Service Reserve	2,597,233	K.S.A. 72-8415a
Capital Outlay	Health Care Service Reserve	80,923	K.S.A. 72-8415a
Adult Basic Education	Health Care Service Reserve	36,071	K.S.A. 72-8415a
Virtual Education	Health Care Service Reserve	134,648	K.S.A. 72-8415a
Bilingual Education	Health Care Service Reserve	59,467	K.S.A. 72-8415a
Parent Education Program	Health Care Service Reserve	21,769	K.S.A. 72-8415a
At Risk (K-12)	Health Care Service Reserve	1,066,552	K.S.A. 72-8415a
At Risk (4 Year Old)	Health Care Service Reserve	63,190	K.S.A. 72-8415a
Grants	Health Care Service Reserve	373,088	K.S.A. 72-8415a
Supplemental General	School Workers' Compensation Reserve	39,952	K.S.A. 44-505e
Food Service	School Workers' Compensation Reserve	8,074	K.S.A. 44-505e
Career and Postsecondary Education	School Workers' Compensation Reserve	5,799	K.S.A. 44-505e
Special Education	School Workers' Compensation Reserve	88,753	K.S.A. 44-505e
Capital Outlay	School Workers' Compensation Reserve	2,888	K.S.A. 44-505e
Summer School	School Workers' Compensation Reserve	186	K.S.A. 44-505e
Adult Basic Education	School Workers' Compensation Reserve	1,826	K.S.A. 44-505e
Virtual Education	School Workers' Compensation Reserve	6,858	K.S.A. 44-505e
Professional Development	School Workers' Compensation Reserve	249	K.S.A. 44-505e
Bilingual Education	School Workers' Compensation Reserve	2,085	K.S.A. 44-505e
Parent Education Program	School Workers' Compensation Reserve	708	K.S.A. 44-505e
At Risk (K-12)	School Workers' Compensation Reserve	43,854	K.S.A. 44-505e
At Risk (4 Year Old)	School Workers' Compensation Reserve	2,198	K.S.A. 44-505e
Grants	School Workers' Compensation Reserve	18,655	K.S.A. 44-505e
Local Donations	School Workers' Compensation Reserve	88	K.S.A. 44-505e
Total		<u>\$59,897,214</u>	

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
General Funds						
General	\$ 87,397,847	\$ [3,956,548]	\$ 1,171,169	\$ 84,612,468	\$ 84,612,468	\$ -
Supplemental General	26,957,517	-	54,167	27,011,684	27,011,684	-
Special Purpose Funds:						
Adult Basic Education	615,000	-	-	615,000	492,058	[122,942]
At Risk (4 Year Old)	549,600	-	-	549,600	547,386	[2,214]
Adult Supplemental Education	-	-	-	-	-	-
At Risk (K-12)	13,465,701	-	-	13,465,701	10,695,940	[2,769,761]
Bilingual Education	840,473	-	-	840,473	618,600	[221,873]
Virtual Education	3,799,650	-	-	3,799,650	2,263,368	[1,536,282]
Capital Outlay	20,218,000	-	-	20,218,000	18,220,430	[1,997,570]
Driver Training	18,941	-	-	18,941	-	[18,941]
Food Service	6,229,268	-	-	6,229,268	5,664,581	[564,687]
Professional Development	580,506	-	-	580,506	277,441	[303,065]
Parent Education Program	252,686	-	-	252,686	193,388	[59,298]
Summer School	40,327	-	-	40,327	40,280	[47]
Special Education	29,860,000	-	-	29,860,000	29,557,917	[302,083]
Cost of Living	4,000,000	-	-	4,000,000	2,432,818	[1,567,182]
Career and Postsecondary Education	1,999,927	-	-	1,999,927	1,604,113	[395,814]
KPERs Special Retirement Contribution	12,088,956	-	-	12,088,956	9,866,764	[2,222,192]
Grants	15,696,840	-	-	15,696,840	5,055,659	[10,641,181]
Bond and Interest Fund:						
Bond and Interest	13,929,938	-	-	13,929,938	13,924,938	[5,000]
Special Assessment	463,031	-	-	463,031	8,235	[454,796]

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 67,208,754	\$ 70,701,936	\$ 72,125,847	\$ [1,423,911]
Special education aid	12,975,446	12,739,363	15,272,000	[2,532,637]
Reimbursed expenses	<u>1,228,296</u>	<u>1,171,169</u>	-	<u>1,171,169</u>
Total Receipts	<u>81,412,496</u>	<u>84,612,468</u>	<u>\$ 87,397,847</u>	<u>\$ [2,785,379]</u>
Expenditures				
Instruction	25,193,510	23,551,276	\$ 28,228,574	\$ [4,677,298]
Student support services	3,587,091	3,782,777	4,291,134	[508,357]
Instructional support staff	1,533,980	1,912,846	1,840,061	72,785
General administration	465,374	416,298	504,670	[88,372]
School administration	311,564	1,500,624	397,778	1,102,846
Central services	1,271,363	1,742,917	1,322,639	420,278
Operations and maintenance	11,925,508	11,367,143	13,674,820	[2,307,677]
Student transportation services	371,249	393,846	400,000	[6,154]
Transfers out	36,752,857	39,944,741	36,738,171	3,206,570
Adjustments to comply with legal max	-	-	[3,956,548]	3,956,548
Adjustments for qualifying budget credits	<u>-</u>	<u>-</u>	<u>1,171,169</u>	<u>[1,171,169]</u>
Total Expenditures	<u>81,412,496</u>	<u>84,612,468</u>	<u>\$ 84,612,468</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 18,025,388	\$ 22,254,166	\$ 22,755,471	\$ [501,305]
Delinquent taxes	200,364	157,903	274,284	[116,381]
Motor vehicle taxes	1,522,510	1,451,116	1,269,810	181,306
Reimbursed expenses	53,177	54,167	-	54,167
State aid	4,860,912	3,987,017	4,127,419	[140,402]
Total Receipts	<u>24,662,351</u>	<u>27,904,369</u>	<u>\$ 28,426,984</u>	<u>\$ [522,615]</u>
Expenditures				
Instruction	-	844,309	\$ 877,130	\$ [32,821]
Student support services	186,535	314,459	298,550	15,909
Instructional support staff	1,548,527	1,632,845	1,964,000	[331,155]
General administration	190,181	203,577	236,500	[32,923]
School administration	4,338,496	3,450,975	5,450,000	[1,999,025]
Central services	3,173,881	3,485,636	4,321,000	[835,364]
Operations and maintenance	520,026	38,764	50,000	[11,236]
Student transportation services	1,966,407	2,198,682	2,300,000	[101,318]
Transfers out	13,632,336	14,842,437	12,409,639	2,432,798
Adjustments to comply with legal max	-	-	[949,302]	949,302
Adjustments for qualifying budget credits	-	-	54,167	[54,167]
Total Expenditures	<u>25,556,389</u>	<u>27,011,684</u>	<u>\$ 27,011,684</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[894,038]	892,685		
Unencumbered Cash, Beginning	<u>2,274,691</u>	<u>1,380,653</u>		
Unencumbered Cash, Ending	<u>\$ 1,380,653</u>	<u>\$ 2,273,338</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Adult Basic Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 436,735	\$ 326,097	\$ 310,457	\$ 15,640
Delinquent taxes	3,845	3,575	6,652	[3,077]
Motor vehicle taxes	32,812	33,840	29,647	4,193
Federal aid	84,895	92,864	95,000	[2,136]
State aid	53,410	61,258	60,000	1,258
Reimbursed expenses	2,000	1,803	-	1,803
Miscellaneous	2,000	7,286	-	7,286
Total Receipts	<u>615,697</u>	<u>526,723</u>	<u>\$ 501,756</u>	<u>\$ 24,967</u>
Expenditures				
Instruction	328,668	328,243	\$ 495,500	\$ [167,257]
Student support services	30,368	33,755	33,000	755
Instructional support staff	41,618	59,991	51,500	8,491
Operations and maintenance	32,172	32,172	35,000	[2,828]
Transfers out	36,101	37,897	-	37,897
Total Expenditures	<u>468,927</u>	<u>492,058</u>	<u>\$ 615,000</u>	<u>\$ [122,942]</u>
Receipts Over [Under] Expenditures	146,770	34,665		
Unencumbered Cash, Beginning	<u>567,166</u>	<u>713,936</u>		
Unencumbered Cash, Ending	<u>\$ 713,936</u>	<u>\$ 748,601</u>		

UNIFIED SCHOOL DISTRICT NO. 497
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 Amounts for the Year Ended June 30, 2023)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Miscellaneous	\$ 121,000	\$ 19,338	\$ 30,000	\$ [10,662]
Reimbursed expenses	2,140	3,039	-	3,039
Donations	2,000	-	-	-
Transfers in	318,021	587,092	450,000	137,092
Total Receipts	<u>443,161</u>	<u>609,469</u>	<u>\$ 480,000</u>	<u>\$ 129,469</u>
Expenditures				
Instruction	222,086	\$ 351,541	\$ 392,500	\$ [40,959]
Instructional support staff	97,423	95,143	112,900	[17,757]
School administration	31,220	35,314	44,200	[8,886]
Transfers out	43,286	65,388	-	65,388
Total Expenditures	<u>394,015</u>	<u>547,386</u>	<u>\$ 549,600</u>	<u>\$ [2,214]</u>
Receipts Over [Under] Expenditures	49,146	62,083		
Unencumbered Cash, Beginning	<u>4,998</u>	<u>54,144</u>		
Unencumbered Cash, Ending	<u>\$ 54,144</u>	<u>\$ 116,227</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Adult Supplemental Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	-	-
Expenditures				
Instruction	-	-	\$ -	\$ -
Total Expenditures	-	-	-	-
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	25,982	25,982		
Unencumbered Cash, Ending	\$ 25,982	\$ 25,982		

UNIFIED SCHOOL DISTRICT NO. 497
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 Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 12,121,074	\$ 12,369,147	\$ 13,258,161	\$ [889,014]
Reimbursed expenses	63,492	47,025	60,000	[12,975]
Total Receipts	<u>12,184,566</u>	<u>12,416,172</u>	<u>\$ 13,318,161</u>	<u>\$ [901,989]</u>
Expenditures				
Instruction	8,488,300	9,504,772	\$ 13,411,501	\$ [3,906,729]
Instructional support staff	41,224	80,762	54,200	26,562
Transfers out	<u>1,032,858</u>	<u>1,110,406</u>	-	<u>1,110,406</u>
Total Expenditures	<u>9,562,382</u>	<u>10,695,940</u>	<u>\$ 13,465,701</u>	<u>\$ [2,769,761]</u>
Receipts Over [Under] Expenditures	2,622,184	1,720,232		
Unencumbered Cash, Beginning	-	<u>2,622,184</u>		
Unencumbered Cash, Ending	<u>\$ 2,622,184</u>	<u>\$ 4,342,416</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursed expenses	\$ 3,069	\$ 2,847	\$ 3,000	\$ [153]
Transfers in	654,959	666,488	800,000	[133,512]
Total Receipts	<u>658,028</u>	<u>669,335</u>	<u>\$ 803,000</u>	<u>\$ [133,665]</u>
Expenditures				
Instruction	356,393	341,730	\$ 610,263	\$ [268,533]
Student support services	75,815	84,919	148,210	[63,291]
Instructional support staff	109,291	130,399	82,000	48,399
Transfers out	63,988	61,552	-	61,552
Total Expenditures	<u>605,487</u>	<u>618,600</u>	<u>\$ 840,473</u>	<u>\$ [221,873]</u>
Receipts Over [Under] Expenditures	52,541	50,735		
Unencumbered Cash, Beginning	-	52,541		
Unencumbered Cash, Ending	<u>\$ 52,541</u>	<u>\$ 103,276</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Reimbursed expenses	\$ 13,310	\$ 6,850	\$ -	\$ 6,850
Miscellaneous	10,638	23,210	-	23,210
Transfers in	<u>3,195,298</u>	<u>2,504,000</u>	<u>3,800,000</u>	<u>[1,296,000]</u>
Total Receipts	<u>3,219,246</u>	<u>2,534,060</u>	<u>\$ 3,800,000</u>	<u>\$ [1,265,940]</u>
Expenditures				
Instruction	2,466,286	1,738,067	\$ 3,222,100	\$ [1,484,033]
Student support staff	127,132	143,649	138,550	5,099
Instructional support staff	1,102	7,312	2,000	5,312
School administration	330,619	228,307	437,000	[208,693]
Operations and maintenance	2,726	4,527	-	4,527
Transfers out	<u>234,188</u>	<u>141,506</u>	<u>-</u>	<u>141,506</u>
Total Expenditures	<u>3,162,053</u>	<u>2,263,368</u>	<u>\$ 3,799,650</u>	<u>\$ [1,536,282]</u>
Receipts Over [Under] Expenditures	57,193	270,692		
Unencumbered Cash, Beginning	<u>-</u>	<u>57,193</u>		
Unencumbered Cash, Ending	<u>\$ 57,193</u>	<u>\$ 327,885</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 10,770,977	12,971,513	\$ 12,509,623	\$ 461,890
Delinquent taxes	115,950	120,417	164,387	[43,970]
Motor vehicle taxes	872,539	880,300	798,253	82,047
Investment income	3,983	-	10,000	[10,000]
Reimbursed expenses	4,464	51,197	-	51,197
Lease proceeds	3,219,816	2,967,225	-	2,967,225
Miscellaneous	298,447	2,867,647	2,000,000	867,647
Flood control	21,743	23,409	-	23,409
Total Receipts	<u>15,307,919</u>	<u>19,881,708</u>	<u>\$ 15,482,263</u>	<u>\$ 4,399,445</u>
Expenditures				
Instruction	4,974,247	7,089,241	\$ 1,200,000	\$ 5,889,241
Student support services	-	-	2,000	[2,000]
Instructional support staff	946	9,221	-	9,221
School administration	31,424	18,700	40,000	[21,300]
Central services	711,880	-	1,100,000	[1,100,000]
Operations and maintenance	937,245	1,485,726	1,942,000	[456,274]
Other support services	993,434	306,901	-	306,901
Facility acquisition and construction services	4,085,572	9,226,830	15,934,000	[6,707,170]
Transfers out	-	83,811	-	83,811
Total Expenditures	<u>11,734,748</u>	<u>18,220,430</u>	<u>\$ 20,218,000</u>	<u>\$ [1,997,570]</u>
Receipts Over [Under] Expenditures	3,573,171	1,661,278		
Unencumbered Cash, Beginning	<u>11,842,395</u>	<u>15,415,566</u>		
Unencumbered Cash, Ending	<u>\$ 15,415,566</u>	<u>\$ 17,076,844</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Charges for services	\$ 405	\$ -	\$ -	\$ -
Total Receipts	<u>405</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Instruction	<u>-</u>	<u>-</u>	<u>\$ 18,941</u>	<u>\$ [18,941]</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 18,941</u>	<u>\$ [18,941]</u>
Receipts Over [Under] Expenditures	405	-		
Unencumbered Cash, Beginning	<u>18,941</u>	<u>19,346</u>		
Unencumbered Cash, Ending	<u>\$ 19,346</u>	<u>\$ 19,346</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 3,374,819	\$ 3,217,178	\$ 2,852,585	\$ 364,593
State aid	40,611	41,456	31,200	10,256
Charges for services	1,429,773	1,719,307	1,336,950	382,357
Miscellaneous	-	-	80,000	[80,000]
Investment income	201	7	200	[193]
Transfers in	78,109	82,846	100,000	[17,154]
Total Receipts	<u>4,923,513</u>	<u>5,060,794</u>	<u>\$ 4,400,935</u>	<u>\$ 659,859</u>
Expenditures				
Food service operation	4,530,529	5,291,442	\$ 6,229,268	\$ [937,826]
Transfers out	<u>346,092</u>	<u>373,139</u>	-	<u>373,139</u>
Total Expenditures	<u>4,876,621</u>	<u>5,664,581</u>	<u>\$ 6,229,268</u>	<u>\$ [564,687]</u>
Receipts Over [Under] Expenditures	46,892	[603,787]		
Unencumbered Cash, Beginning	<u>1,790,405</u>	<u>1,837,297</u>		
Unencumbered Cash, Ending	<u>\$ 1,837,297</u>	<u>\$ 1,233,510</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over Under <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 72	\$ 2,949	\$ -	\$ 2,949
State aid	20,403	41,360	37,500	3,860
Transfers in	470,919	250,000	240,000	10,000
Total Receipts	<u>491,394</u>	<u>294,309</u>	<u>\$ 277,500</u>	<u>\$ 16,809</u>
Expenditures				
Instructional support staff	230,707	273,437	\$ 570,506	\$ [297,069]
School administration	10,254	3,755	-	3,755
Central services	-	-	10,000	[10,000]
Transfers out	433	249	-	249
Total Expenditures	<u>241,394</u>	<u>277,441</u>	<u>\$ 580,506</u>	<u>\$ [303,065]</u>
Receipts Over [Under] Expenditures	250,000	16,868		
Unencumbered Cash, Beginning	<u>-</u>	<u>250,000</u>		
Unencumbered Cash, Ending	<u>\$ 250,000</u>	<u>\$ 266,868</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Parent Education Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Federal aid	\$ 1,216	\$ 12,817	\$ -	\$ 12,817
State aid	116,302	131,208	-	131,208
Miscellaneous	48,281	42,994	-	42,994
Transfers in	93,000	43,000	100,000	[57,000]
Total Receipts	<u>258,799</u>	<u>230,019</u>	<u>\$ 100,000</u>	<u>\$ 130,019</u>
Expenditures				
Student support services	147,461	156,596	\$ 252,686	\$ [96,090]
Instructional support staff	-	14,315	-	14,315
Transfers out	22,194	22,477	-	22,477
Total Expenditures	<u>169,655</u>	<u>193,388</u>	<u>\$ 252,686</u>	<u>\$ [59,298]</u>
Receipts Over [Under] Expenditures	89,144	36,631		
Unencumbered Cash, Beginning	<u>63,542</u>	<u>152,686</u>		
Unencumbered Cash, Ending	<u>\$ 152,686</u>	<u>\$ 189,317</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ 11,843	\$ 17,175	\$ -	\$ 17,175
Reimbursed expenses	9,325	915	20,000	[19,085]
Transfer in	-	50,000	-	50,000
Total Receipts	<u>21,168</u>	<u>68,090</u>	<u>\$ 20,000</u>	<u>\$ 48,090</u>
Expenditures				
Instruction	30,739	40,094	\$ 40,327	\$ [233]
Transfers out	133	186	-	186
Total Expenditures	<u>30,872</u>	<u>40,280</u>	<u>\$ 40,327</u>	<u>\$ [47]</u>
Receipts Over [Under] Expenditures	[9,704]	27,810		
Unencumbered Cash, Beginning	<u>30,032</u>	<u>20,328</u>		
Unencumbered Cash, Ending	<u>\$ 20,328</u>	<u>\$ 48,138</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 401,247	\$ 392,017	\$ 330,000	\$ 62,017
Federal aid	2,938,944	2,677,469	3,250,000	[572,531]
Reimbursed expenses	846,951	752,158	-	752,158
Investment income	22,087	1,439,484	500,000	939,484
Transfers in	<u>22,788,859</u>	<u>25,279,195</u>	<u>24,800,000</u>	<u>479,195</u>
Total Receipts	<u>26,998,088</u>	<u>30,540,323</u>	<u>\$ 28,880,000</u>	<u>\$ 1,660,323</u>
Expenditures				
Instruction	13,135,214	14,813,794	\$ 18,131,000	\$ [3,317,206]
Student support services	5,134,158	5,568,574	6,188,000	[619,426]
Instructional support staff	1,247,195	2,382,283	1,732,000	650,283
School administration	-	28	-	28
Central services	2,225	5,347	5,000	347
Operations and maintenance	2,676	270,836	4,000	266,836
Student transportation	3,487,076	3,831,069	3,800,000	31,069
Transfers out	<u>2,542,675</u>	<u>2,685,986</u>	<u>-</u>	<u>2,685,986</u>
Total Expenditures	<u>25,551,219</u>	<u>29,557,917</u>	<u>\$ 29,860,000</u>	<u>\$ [302,083]</u>
Receipts Over [Under] Expenditures	1,446,869	982,406		
Unencumbered Cash, Beginning	<u>2,726,237</u>	<u>4,173,106</u>		
Unencumbered Cash, Ending	<u>\$ 4,173,106</u>	<u>\$ 5,155,512</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Cost of Living Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,109,214	\$ 1,980,114	\$ 2,014,592	\$ [34,478]
Delinquent taxes	18,711	17,119	32,009	[14,890]
Motor vehicle taxes	126,098	184,353	161,768	22,585
Total Receipts	<u>2,254,023</u>	<u>2,181,586</u>	<u>\$ 2,208,369</u>	<u>\$ [26,783]</u>
Expenditures				
State payment	<u>1,138,259</u>	<u>2,432,818</u>	<u>\$ 4,000,000</u>	<u>\$ [1,567,182]</u>
Total Expenditures	<u>1,138,259</u>	<u>2,432,818</u>	<u>\$ 4,000,000</u>	<u>\$ [1,567,182]</u>
Receipts Over [Under] Expenditures	1,115,764	[251,232]		
Unencumbered Cash, Beginning	<u>734,468</u>	<u>1,850,232</u>		
Unencumbered Cash, Ending	<u>\$ 1,850,232</u>	<u>\$ 1,599,000</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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 Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursed expenses	\$ 25,719	\$ 6,714	\$ -	\$ 6,714
State aid	1,500	-	-	-
Transfers in	1,635,297	1,665,000	2,000,000	[335,000]
Total Receipts	<u>1,662,516</u>	<u>1,671,714</u>	<u>\$ 2,000,000</u>	<u>\$ [328,286]</u>
Expenditures				
Instruction	1,317,307	1,304,916	\$ 1,829,327	\$ [524,411]
Student support services	-	18,877	-	18,877
Instructional support staff	39,821	45,943	55,600	[9,657]
Operations and maintenance	106,056	98,151	115,000	[16,849]
Student transportation	893	618	-	618
Transfers out	148,198	135,608	-	135,608
Total Expenditures	<u>1,612,275</u>	<u>1,604,113</u>	<u>\$ 1,999,927</u>	<u>\$ [395,814]</u>
Receipts Over [Under] Expenditures	50,241	67,601		
Unencumbered Cash, Beginning	<u>-</u>	<u>50,241</u>		
Unencumbered Cash, Ending	<u>\$ 50,241</u>	<u>\$ 117,842</u>		

UNIFIED SCHOOL DISTRICT NO. 497
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 Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 10,512,136	\$ 9,866,764	\$ 12,088,956	\$ [2,222,192]
Total Receipts	<u>10,512,136</u>	<u>9,866,764</u>	<u>\$ 12,088,956</u>	<u>\$ [2,222,192]</u>
Expenditures				
Instruction	6,911,812	6,791,347	\$ 8,320,895	\$ [1,529,548]
Student support services	1,091,339	927,454	1,136,335	[208,881]
Instructional support staff	727,559	734,595	900,040	[165,445]
General administration	54,567	49,638	60,817	[11,179]
School administration	636,614	590,752	723,801	[133,049]
Operations and maintenance	418,347	386,489	473,534	[87,045]
Central services	399,063	386,489	473,534	[87,045]
Food service	<u>272,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,512,136</u>	<u>9,866,764</u>	<u>\$ 12,088,956</u>	<u>\$ [2,222,192]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2024 and 2023

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Investment income	\$ 241,081	\$ -
Transfers in	<u>1,283,896</u>	<u>2,231,409</u>
Total Receipts	<u>1,524,977</u>	<u>2,231,409</u>
Expenditures		
General administration	<u>-</u>	<u>12,500</u>
Total Expenditures	<u>-</u>	<u>12,500</u>
Receipts Over [Under] Expenditures	1,524,977	2,218,909
Unencumbered Cash, Beginning	<u>1,117,347</u>	<u>2,642,324</u>
Unencumbered Cash, Ending	<u>\$ 2,642,324</u>	<u>\$ 4,861,233</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2024 and 2023

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 819,666	\$ 739,402
Miscellaneous	-	373
Transfers in	<u>1,000,000</u>	<u>2,000,000</u>
Total Receipts	<u>1,819,666</u>	<u>2,739,775</u>
Expenditures		
Instruction	<u>673,990</u>	<u>1,588,914</u>
Total Expenditures	<u>673,990</u>	<u>1,588,914</u>
Receipts Over [Under] Expenditures	1,145,676	1,150,861
Unencumbered Cash, Beginning	<u>321,734</u>	<u>1,467,410</u>
Unencumbered Cash, Ending	<u>\$ 1,467,410</u>	<u>\$ 2,618,271</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Title I	\$ 1,854,123	\$ 1,458,711	\$ 2,500,000	\$ [1,041,289]
Title IIA	204,476	306,436	350,000	[43,564]
Carl Perkins Vocational Act Program Improvement	88,621	104,265	-	104,265
Title III	97,091	34,381	180,000	[145,619]
Title IV	60,601	138,152	80,000	58,152
Johnson O'Malley	-	34,461	-	34,461
ESSER II	1,154,571	2,500,649	-	2,500,649
ESSER III	5,369,816	4,643,301	9,147,475	[4,504,174]
Other federal aid	429,470	572,916	10,000,000	[9,427,084]
Total Receipts	<u>9,258,769</u>	<u>9,793,272</u>	<u>\$ 22,257,475</u>	<u>\$ [12,464,203]</u>
Expenditures				
Instruction	6,365,640	2,867,067	\$ 11,636,840	\$ [8,769,773]
Student support services	1,533,504	648,838	657,000	[8,162]
Instructional support staff	1,254,439	1,026,670	682,000	344,670
General administration	24,734	-	28,000	[28,000]
School administration	253,538	17,324	44,000	[26,676]
Central services	429,260	77,094	366,000	[288,906]
Operations and maintenance	357,256	-	170,000	[170,000]
Student transportation	21,906	25,834	25,000	834
Food service	198,643	-	55,000	[55,000]
Student activities	6,713	1,089	-	1,089
Facility acquisition and construction services	3,368,554	-	2,033,000	[2,033,000]
Transfers out	489,818	391,743	-	391,743
Total Expenditures	<u>14,304,005</u>	<u>5,055,659</u>	<u>\$ 15,696,840</u>	<u>\$ [10,641,181]</u>
Receipts Over [Under] Expenditures	[5,045,236]	4,737,613		
Unencumbered Cash, Beginning	<u>[1,739,619]</u>	<u>[6,784,855]</u>		
Unencumbered Cash, Ending	<u>\$ [6,784,855]</u>	<u>\$ [2,047,242]</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 14,106,144	\$ 14,592,627	\$ 13,988,061	\$ 604,566
Delinquent taxes	144,926	119,945	214,817	[94,872]
Motor vehicle taxes	1,079,445	1,101,950	965,360	136,590
Investment income	16,264	-	20,000	[20,000]
Total Receipts	<u>15,346,779</u>	<u>15,814,522</u>	<u>\$ 15,188,238</u>	<u>\$ 626,284</u>
Expenditures				
Principal	7,685,000	8,060,000	\$ 8,060,000	\$ -
Interest	6,244,125	5,864,938	5,864,938	-
Fees	-	-	5,000	[5,000]
Total Expenditures	<u>13,929,125</u>	<u>13,924,938</u>	<u>\$ 13,929,938</u>	<u>\$ [5,000]</u>
Receipts Over [Under] Expenditures	1,417,654	1,889,584		
Unencumbered Cash, Beginning	<u>13,171,432</u>	<u>14,589,086</u>		
Unencumbered Cash, Ending	<u>\$ 14,589,086</u>	<u>\$ 16,478,670</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Special Assessment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Amounts for the Year Ended June 30, 2023)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Receipts				
Taxes and Shared Revenues:				
Delinquent taxes	\$ 1	\$ 6	\$ -	\$ 6
Total Receipts	<u>1</u>	<u>6</u>	<u>-</u>	<u>6</u>
Expenditures				
Facility acquisition and construction services	<u>7,839</u>	<u>8,235</u>	<u>\$ 463,031</u>	<u>\$ [454,796]</u>
Total Expenditures	<u>7,839</u>	<u>8,235</u>	<u>\$ 463,031</u>	<u>\$ [454,796]</u>
Receipts Over [Under] Expenditures	[7,838]	[8,229]		
Unencumbered Cash, Beginning	<u>470,870</u>	<u>463,032</u>		
Unencumbered Cash, Ending	<u>\$ 463,032</u>	<u>\$ 454,803</u>		

UNIFIED SCHOOL DISTRICT NO. 497
School Workers' Compensation Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2024 and 2023

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 525,976	\$ 1,371,277
Reimbursed expenses	1,125	-
Miscellaneous	<u>618</u>	<u>-</u>
Total Receipts	<u>527,719</u>	<u>1,371,277</u>
Expenditures		
Instruction	321,496	255,140
General administration	<u>131,964</u>	<u>136,784</u>
Total Expenditures	<u>453,460</u>	<u>391,924</u>
Receipts Over [Under] Expenditures	74,259	979,353
Unencumbered Cash, Beginning	<u>1,016,204</u>	<u>1,090,463</u>
Unencumbered Cash, Ending	<u>\$ 1,090,463</u>	<u>\$ 2,069,816</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Health Care Services Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2024 and 2023

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 2,048,305	\$ 2,402,033
Transfers in	<u>11,179,862</u>	<u>10,667,270</u>
Total Receipts	<u>13,228,167</u>	<u>13,069,303</u>
Expenditures		
Instruction	<u>12,503,743</u>	<u>12,348,025</u>
Total Expenditures	<u>12,503,743</u>	<u>12,348,025</u>
Receipts Over [Under] Expenditures	724,424	721,278
Unencumbered Cash, Beginning	<u>489,525</u>	<u>1,213,949</u>
Unencumbered Cash, Ending	<u>\$ 1,213,949</u>	<u>\$ 1,935,227</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Private and Other Purpose Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

<u>FUND</u>	Beginning Unencumbered <u>Cash Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered <u>Cash Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Memorial funds	\$ 215,744	\$ -	\$ 700	\$ 250	\$ 216,194	\$ -	\$ 216,194
Local donations fund	<u>1,914,751</u>	<u>-</u>	<u>2,343,807</u>	<u>2,385,002</u>	<u>1,873,556</u>	<u>68,569</u>	<u>1,942,125</u>
 Total other private purpose trust funds	 <u>\$ 2,130,495</u>	 <u>\$ -</u>	 <u>\$ 2,344,507</u>	 <u>\$ 2,385,252</u>	 <u>\$ 2,089,750</u>	 <u>\$ 68,569</u>	 <u>\$ 2,158,319</u>

See independent auditor's report on the financial statements.

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Petty Cash Funds:				
<u>Middle Schools</u>				
Billy Mills Middle School	\$ 1,230	\$ 11,662	\$ 11,692	\$ 1,200
Liberty Memorial Central Middle School	1,200	5,001	5,001	1,200
Southwest Middle School	1,200	6,534	6,534	1,200
West Middle Scholl	<u>1,200</u>	<u>5,817</u>	<u>5,817</u>	<u>1,200</u>
Total Middle Schools	<u>4,830</u>	<u>29,014</u>	<u>29,044</u>	<u>4,800</u>
<u>High Schools</u>				
Free State High School	1,500	3,039	3,039	1,500
Lawrence High School	<u>1,500</u>	<u>3,995</u>	<u>3,995</u>	<u>1,500</u>
Total High Schools	<u>3,000</u>	<u>7,034</u>	<u>7,034</u>	<u>3,000</u>
Total Student Petty Cash Funds	<u>7,830</u>	<u>36,048</u>	<u>36,078</u>	<u>7,800</u>
Other Agency Funds:				
District petty cash	1,700	250	450	1,500
Sales Tax Fund	-	53,882	53,882	-
Payroll Clearing Fund	<u>[2,576,686]</u>	<u>91,208,542</u>	<u>91,302,349</u>	<u>[2,670,493]</u>
Total Other Agency Funds	<u>[2,574,986]</u>	<u>91,262,674</u>	<u>91,356,681</u>	<u>[2,668,993]</u>
Total Agency Funds	<u>\$ [2,567,156]</u>	<u>\$ 91,298,722</u>	<u>\$ 91,392,759</u>	<u>\$ [2,661,193]</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Indian Education - Formula Grants to Local Education Agencies	84.060	\$ [4,773]	\$ 100,756	\$ 95,983	\$ -
Passed Through State Department of Education:					
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	[15,531]	2,613,361	2,631,671	[33,841]
Special Education - Preschool Grants	84.173	-	64,108	64,108	-
Total Special Education (IDEA) Cluster			2,677,469	2,695,779	
Title I Grants to Local Educational Agencies	84.010	[42,939]	1,458,711	1,795,021	[379,249]
Career and Technical Education	84.048	[30,181]	104,265	56,285	17,799
Special Education - Grants for Infants and Families	84.181	11,150	57,167	102,282	[33,965]
English Language Acquisition Grants	84.365	[1,384]	34,381	59,362	[26,365]
Improving Teacher Quality State Grants	84.367	[34,297]	306,436	336,225	[64,086]
Student Support and Academic Enrichment Program	84.424	[44,185]	138,152	111,681	[17,714]
Education Stabilization Fund Under CARES Act	84.425	[6,334,559]	7,150,161	2,246,937	[1,431,335]
Passed Through Kansas Board of Regents:					
Cooperative Agreements to Promote Adolescent Health	84.002	-	92,864	92,864	-
Total U.S. Department of Education			12,120,362	7,592,419	
<u>U.S. Department of the Interior</u>					
477 Cluster:					
Indian Education Assistance to Schools	15.130	2,636	34,461	38,631	[1,534]
Total U.S. Department of the Interior			34,461	38,631	
<u>U.S. Department of Health and Human Services</u>					
Passed Through State Department of Health & Environment:					
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	[295,172]	465,949	297,122	[126,345]
Passed Through Kansas Parents As Teachers Association (KPATA):					
Title IV-E Prevention Program	93.472	-	12,817	12,817	-
Total U.S. Department of Health and Human Services			478,766	309,939	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	510,756	510,756	-
National School Lunch Program	10.555	-	2,218,028	2,218,028	-
Summer Food Service Program for Children	10.559	-	366,575	366,575	-
Fresh Fruit and Vegetable Program	10.582	-	24,596	24,596	-
Total Child Nutrition Cluster			3,119,955	3,119,955	
Local Food for Schools Cooperative Agreement Program	10.185	-	52,754	52,754	-
Child and Adult Care Food Program	10.558	-	43,324	43,324	-
Farm to School State Formula Grant	10.645	-	1,250	1,250	-
Total U.S. Department of Agriculture			3,217,283	3,217,283	
Total Expenditures of Federal Awards			\$ 15,850,872	\$ 11,158,272	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. Organization

Unified School District No. 497, Lawrence, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position as of June 30, 2024.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2024.

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	Education Stabilization Fund
84.027, 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between type A and type B programs:	_____ \$750,000
Auditee qualified as low-risk auditee?	_____ Yes _____ <u>X</u> No

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2024

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 497, Lawrence, Kansas (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2024.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 25, 2024

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

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 497, Lawrence, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. 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, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2024, and have issued our report thereon dated November 25, 2024, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 25, 2024