USD 400 SMOKY VALLEY

Lindsborg, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2024

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
TABLE OF CONTENTS
June 30, 2024

		Page
INDEPENDENT AUDITOR'S REPORT		1 - 3
FINANCIAL STATEMENT		
Summary Statement Of Receipts, Expenditures And Unencumbered Cash	Statement 1	4 - 5
NOTES TO FINANCIAL STATEMENT		6 - 12
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION		
Summary of Expenditures - Actual and Budget	Schedule 1	14
Schedule of Receipts and Expenditures - Actual and Budget		
General Fund	Schedule 2	15
Supplemental General Fund	Schedule 2	16
Preschool-Aged At-Risk Fund	Schedule 2	17
At-Risk (K-12) Fund	Schedule 2	18
Bilingual Education Fund	Schedule 2	19
Virtual Education Fund	Schedule 2	20
Capital Outlay Fund	Schedule 2	21
Driver Training Fund	Schedule 2	22
Food Service Fund	Schedule 2	23
Professional Development Fund	Schedule 2	24
Special Education Fund	Schedule 2	25
Career and Postsecondary Education Fund	Schedule 2	26
KPERS Special Retirement Contribution Fund	Schedule 2	27
Schedule of Receipts and Expenditures - Non-Budgeted Funds	Schedule 2	28 - 29
Summary of Receipts and Disbursements - Agency Funds	Schedule 3	30
Schedule of Receipts, Expenditures, and Unencumbered Cash - District Activity Funds	Schedule 4	31
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*		32 - 33
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance		34 - 35
Schedule of Expenditures of Federal Awards		36 - 37
Schedule of Findings and Questioned Costs		38

January 20, 2025

Board of Education
USD 400 - Smoky Valley
Lindsborg, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of receipts, expenditures, and unencumbered cash balances - regulatory basis of USD 400 - Smoky Valley (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 they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note A.

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

Matter Giving Rise to the Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Supplementary Information (Continued)
We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated September 13, 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/oar/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 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 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, 2024, on the basis of accounting described in Note 1.

Other Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Pubic Accountants
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ -	$ 8,269,984	$ 8,269,984	$ -	$ 5,767	$ 5,767
Supplemental General	226,450	-	2,429,051	2,446,857	208,644	1,161	209,805
Special Purpose Funds							
Budgeted							
Preschool-Aged At-Risk	90,847	-	172,000	181,046	81,801	-	81,801
At-Risk (K-12)	62,912	-	788,528	788,050	63,390	-	63,390
Bilingual Education	14,448	-	13,224	12,669	15,003	-	15,003
Virtual Education	73,318	-	590,594	590,372	73,540	-	73,540
Capital Outlay	1,204,341	-	1,253,319	872,513	1,585,147	75,971	1,661,118
Driver Training	26,984	-	12,865	13,543	26,306	669	26,975
Food Service	145,800	-	422,499	426,310	141,989	-	141,989
Professional Development	70,198	-	40,744	61,752	49,190	280	49,470
Special Education	773,346	-	1,726,051	1,818,126	681,271	-	681,271
Career and Postsecondary Education	152,144	-	329,863	329,482	152,525	1,009	153,534
KPERS Special Retirement Contribution	-	-	830,894	830,894	-	-	-
Non-Budgeted							
Title I Low Income	-	-	105,228	105,228	-	-	-
Title II-A Improve Teacher Quality	-	-	35,696	35,696	-	-	-
Title IV-A Student Support & Academic Enrich.	-	-	14,306	14,306	-	-	-
Contingency Reserve	842,055	-	-	-	842,055	-	842,055
Textbook and Student Material Revolving	96,426	-	20,000	21,679	94,747	842	95,589
Gift and Grants	5,728	-	174,362	141,721	38,369	-	38,369
District Activity funds	-	-	19,378	19,378	-	-	-
Trane HVAC	1,071,442	-	19,705	810,671	280,476	-	280,476
ESSER III	(283,160)	-	523,162	272,645	(32,643)	-	(32,643)
KDHE COVID Grant	(39,375)	-	88,208	100,166	(51,333)	-	(51,333)

(Continued)

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

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Trust Funds							
St Stephen's	$ 31,088	$ -	$ 60,100	$ 24,361	$ 66,827.00	$ -	$ 66,827
Trust Fund	65,107	-	59,867	44,124	80,850	-	80,850
Total Reporting Entity (Excluding Agency Funds)	$ 4,630,099	$ -	$ 17,999,628	$ 18,231,573	$ 4,398,154	$ 85,699	$ 4,483,853

Composition of Cash	
Bank deposits	$ 2,005,341
Kansas Municipal Investment Pool	2,703,655
Cash on hand	6,000
Total Cash	$ 4,714,996
Less: Agency funds per Schedule 3	(231,143)
Total Reporting Entity (Excluding Agency Funds)	$ 4,483,853

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

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2024

Note 1: Summary of Significant Accounting Policies

USD 400 Smoky Valley (the District), is a municipal corporation governed by an elected seven member Board. The financial statement includes the District only.

Regulatory Basis Fund Types

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

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

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

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

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

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

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State of America

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

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

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Budgetary Information

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

1. Preparation of the budget for the succeeding twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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

Adjustment to Comply with Legal Max - Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

Adjustment for Qualifying Budget Credits - Districts may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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

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

Title I - Low Income	Gifts & Grants	Trust Fund
Title II-A Improve Teacher Quality	St. Stephens	
Title IV-A Stud. Supp. & Acad. Enrich.	Trane HVAC	
Contingency Reserve	Payroll Clearing	
District Activity Funds	ESSER III	
Covid Grant	Textbook & Student Material Revolving	

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

Note 3: Deposits and Investments

As of June 30, 2024, the District had the following idle fund investments and maturities:

		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less than 1**	**1 - 2**	**Rating U.S.**
Kansas Municipal Investment Pool	$ 2,703,655	$ 2,703,655	$ -	S&P AAAf/S1+

K.S.A. 9-1401 established 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 or depository risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policies 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. The District's allocation of investments as of June 30, 2023, is as follows:

Investment	**Percentage of Investments**
Kansas Municipal Investment Pool	100%

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. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2024.

At June 30, 2024, the carrying amount of the District's bank deposits was $2,005,341. The bank balance was $2,824,448. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $500,000 was secured by FDIC insurance and the remaining balance was collateralized by bank pledged securities.

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.

At June 30, 2024, the District had invested $2,703,655 in the State's Municipal Investment Pool. The Municipal Investment Pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 4: Interfund Transfers

The District made the following operating transfers which were approved by the Board of Education.

Fund From	Fund To	Authority	Amount
General	Preschool-Aged At-Risk	K.S.A. 72-5167	$ 140,000
General	At-Risk (K-12)	K.S.A. 72-5167	568,838
General	Bilingual Education	K.S.A. 72-5167	12,000
General	Virtual Education	K.S.A. 72-5167	275,000
General	Special Education	K.S.A. 72-5167	1,470,865
General	Career and Post Secondary Ed	K.S.A. 72-5143	230,000
Supplemental	Preschool-Aged At-Risk	K.S.A. 72-5143	32,000
Supplemental	At-Risk (K-12)	K.S.A. 72-5143	212,390
Supplemental	Bilingual Education	K.S.A. 72-5143	1,224
Supplemental	Virtual Education	K.S.A. 72-5143	287,500
Supplemental	Food Service	K.S.A. 72-5143	36,636
Supplemental	Professional Development	K.S.A. 72-5143	35,000
Supplemental	Special Education	K.S.A. 72-5143	242,511
Supplemental	Career and Post Secondary Ed	K.S.A. 72-5143	90,000
Supplemental	Textbook & Student Material Revolving	K.S.A. 72-5143	20,000
Title IV	Title II-A	K.S.A. 72-5537	14,306
	Total Transfers		$ 3,668,270

Note 5: Pension Plans

Defined Benefit Pension Plan

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

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

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

Note 5: Pension Plans (Continued)

Defined Benefit Pension Plan (Continued)

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.

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

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

The State of Kansas is required to contribute the statutory required employer 's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $830,894 for the year ended June 30, 2024.

Net Pension Liability: At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $7,760,497. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 6: Other Long-Term Obligations from Operations

Other Post Employment Benefits

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

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

Compensated Absences

Compensated vacation absences are recorded as expenditures in Governmental Funds when they are paid. Vacation for qualified, classified employees is two weeks or more per year, which may be taken during the current or subsequent year. If not taken during current or subsequent year, it is lost. Accumulated vacation is paid if an employee voluntarily terminates employment with appropriate notice. Otherwise, it is lost. The most that may be accumulated is 25 days. Vacation is earned at .834 days/month for new employees who are at least half time and who work more than ten months per year. Employees earn more days per month for longer service. Emergency leave for classified employees accumulates at 1.67 days per month. Employees must work at least four hours a day. Classified and certified employees may accumulate 90 days of emergency leave. Certified employees get 15 days at the beginning of the year and lose any unused days upon termination.

Note 6: Other Long-Term Obligations from Operations (Continued)

Compensated Absences (Continued)

Sick leave benefits and other compensated absences are not accrued in the financial statement because they do not vest. When an employee leaves the District they do not receive any compensation for unused sick leave, unless they are retiring certified employee, in which case they receive $15 per day up to 88 days.

Note 7: Other Long-Term Obligations from Operations

Termination Benefits

The District provides an early retirement program for certain eligible employees. Employees are eligible if (a) they are a professional employee of the District; (b) will be at least 60 years of age and not more than 64 years of age on or before August 31 of the calendar year in which the professional employee intends to retire, or anyone who meets the KPERS 85 point early retirement plan; (c) has a minimum of 20 years of employment in a public school system; (d) has a minimum of ten years in the District to receive full early retirement benefits. Reduced benefits are eligible for employees that have been employed in the District for five to nine years. Employees hired after July 1, 2013 do not qualify for early retirement.

Payments to retired employees under this plan were $67,500 for the year ended June 30, 2024.

Note 8: Claims and Judgments

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have material impact on the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2023 to 2024, and there were no settlements that exceeded insurance coverage in the past three years.

Note 9: Subsequent Events

The District evaluated subsequent events through January 20, 2025, the date the financial statement is available to be issued.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2024

Note 10: General Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
Lease Purchase:									
Equipment Lease	2.36%	3/1/2022	$ 4,080,258	3/1/2037	$ 3,850,000	$ -	$ 235,000	$ 3,615,000	$ 90,860

Current maturities of long-term debt and interest for the next five years and total outstanding debt obligations beyond five years are outlined below:

	2025	2026	2027	2028	2029	2030-2039	Total
Principal							
Lease Purchase	$ 240,000	$ 245,000	$ 255,000	$ 260,000	$ 265,000	$ 2,350,000	$3,615,000
Interest							
Lease Purchase	$ 85,314	$ 79,650	$ 73,868	$ 67,850	$ 61,714	$ 256,532	$ 624,928

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2024

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 8,484,228	$ (330,073)	$ 115,829	$ 8,269,984	$ 8,269,984	$ -
Supplemental General	2,528,418	(80,704)	-	2,447,714	2,446,857	(857)
Special Purpose Funds						
Preschool-Aged At-Risk	219,404	-	-	219,404	181,046	(38,358)
At-Risk (K-12)	846,788	-	-	846,788	788,050	(58,738)
Bilingual Education	26,488	-	-	26,488	12,669	(13,819)
Virtual Education	660,818	-	-	660,818	590,372	(70,446)
Capital Outlay	2,374,479	-	-	2,374,479	872,513	(1,501,966)
Driver Training	23,330	-	-	23,330	13,543	(9,787)
Food Service	613,877	-	-	613,877	426,310	(187,567)
Professional Development	100,835	-	-	100,835	61,752	(39,083)
Special Education	2,477,022	-	-	2,477,022	1,818,126	(658,896)
Career and Postsecondary Education	479,593	-	-	479,593	329,482	(150,111)
KPERS Special Retirement Contribution	1,064,899	-	-	1,064,899	830,894	(234,005)
Total of all Funds	$ 19,900,179	$ (410,777)	$ 115,829	$ 19,605,231	$ 16,641,598	$ (2,963,633)

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Student activities	$ 35,669	$ 39,456	$ -	$ 39,456
Other	103,332	76,373	-	76,373
State Sources				
General state aid	7,630,326	8,154,070	8,484,023	(329,953)
Mineral production tax	193	85	205	(120)
Total Cash Receipts	$ 7,769,520	$ 8,269,984	$ 8,484,228	$ (214,244)
EXPENDITURES				
Instruction	$ 2,840,758	$ 3,015,825	$ 3,011,545	$ 4,280
Student support services	109,503	115,148	133,882	(18,734)
Instructional support staff	477,226	523,778	553,451	(29,673)
General administration	316,586	325,019	355,910	(30,891)
School administration	598,617	599,260	643,005	(43,745)
Central services	154,776	137,838	164,483	(26,645)
Operations and maintenance	16,247	456,430	448,580	7,850
Student transportation	411,136	399,983	449,013	(49,030)
Transfers to other funds	2,844,711	2,696,703	2,724,359	(27,656)
Adjustment to comply with legal maximum	-	-	(330,073)	330,073
Legal general fund budget and expenditures	$ 7,769,560	$ 8,269,984	$ 8,154,155	$ 115,829
Adjustments for qualifying budget credits	-	-	115,829	(115,829)
Total Expenditures	$ 7,769,560	$ 8,269,984	$ 8,269,984	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (40)	$ -		
UNENCUMBERED CASH - BEGINNING	40	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 1,303,732	$ 1,278,582	$ 1,330,044	$ (51,462)
Delinquent taxes	20,591	10,535	19,977	(9,442)
County Sources				
Motor vehicle taxes	108,904	117,556	117,274	282
Recreational vehicle taxes	3,036	2,972	3,380	(408)
Commercial vehicle taxes	3,370	3,115	3,639	(524)
State Sources				
Supplemental state aid	962,131	1,016,291	1,049,799	(33,508)
Total Cash Receipts	$ 2,401,764	$ 2,429,051	$ 2,524,113	$ (95,062)
EXPENDITURES				
Instruction	$ 364,810	$ 414,692	$ 421,473	$ (6,781)
Student support services	10,967	22,408	83,360	(60,952)
Instructional support staff	46,446	49,753	52,009	(2,256)
General administration	17,670	9,543	26,026	(16,483)
School administration	73,382	71,120	84,013	(12,893)
Central services	26,915	23,806	38,980	(15,174)
Operations and maintenance	560,124	707,457	765,834	(58,377)
Student transportation	191,917	190,817	221,032	(30,215)
Transfers to other funds	1,012,275	957,261	835,691	121,570
Adjustment to comply with legal maximum	-	-	(80,704)	80,704
Total Expenditures	$ 2,304,506	$ 2,446,857	$ 2,447,714	$ (857)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 97,258	$ (17,806)		
UNENCUMBERED CASH - BEGINNING	129,192	226,450		
UNENCUMBERED CASH - ENDING	$ 226,450	$ 208,644		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 164,000	$ 172,000	$ 140,000	$ 32,000
EXPENDITURES				
Instruction	$ 115,950	$ 93,553	$ 174,404	$ (80,851)
Student transportation	40,751	87,493	45,000	42,493
Total Expenditures	$ 156,701	$ 181,046	$ 219,404	$ (38,358)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 7,299	$ (9,046)		
UNENCUMBERED CASH - BEGINNING	83,548	90,847		
UNENCUMBERED CASH - ENDING	$ 90,847	$ 81,801		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
AT-RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 5,800	$ 7,300	$ 7,500	$ (200)
Other Sources				
Transfers from other funds	711,866	781,228	841,510	(60,282)
Total Cash Receipts	$ 717,666	$ 788,528	$ 849,010	$ (60,482)
EXPENDITURES				
Instruction	$ 652,519	$ 701,964	$ 758,098	$ (56,134)
Student support services	72,990	86,086	88,690	(2,604)
Total Expenditures	$ 725,509	$ 788,050	$ 846,788	$ (58,738)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (7,843)	$ 478		
UNENCUMBERED CASH - BEGINNING	70,755	62,912		
UNENCUMBERED CASH - ENDING	$ 62,912	$ 63,390		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 10,493	$ 13,224	$ 12,040	$ 1,184
EXPENDITURES				
Instruction	$ 4,386	$ 12,669	$ 26,488	$ (13,819)
Instrictuionnal support staff	485	-	-	-
Total Expenditures	$ 4,871	$ 12,669	$ 26,488	$ (13,819)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,622	$ 555		
UNENCUMBERED CASH - BEGINNING	8,826	14,448		
UNENCUMBERED CASH - ENDING	$ 14,448	$ 15,003		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Tuition	$ 22,400	$ 22,120	$ -	$ 22,120
Other	3,993	5,974	50,000	(44,026)
Other Sources				
Transfers from other funds	522,206	562,500	537,500	25,000
Total Cash Receipts	$ 548,599	$ 590,594	$ 587,500	$ 3,094
EXPENDITURES				
Instruction	$ 348,875	$ 363,569	$ 443,710	$ (80,141)
Student support services	61,045	62,855	65,278	(2,423)
Instructional support staff	1,679	1,885	4,250	(2,365)
School administration	139,117	162,063	147,580	14,483
Total Expenditures	$ 550,716	$ 590,372	$ 660,818	$ (70,446)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,117)	$ 222		
UNENCUMBERED CASH - BEGINNING	75,435	73,318		
UNENCUMBERED CASH - ENDING	$ 73,318	$ 73,540		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 713,487	$ 730,183	$ 660,210	$ 69,973
Delinquent taxes	11,319	6,082	10,819	(4,737)
Interest On Idle Funds	118,811	176,937	50,000	126,937
Other	14,326	13,049	100,000	(86,951)
County Sources				
Motor vehicle taxes	66,528	70,405	70,934	(529)
Recreational vehicle taxes	1,857	1,942	2,044	(102)
Commercial vehicle taxes	2,117	1,705	2,201	(496)
Other	1,649	2,419	8,250	(5,831)
State Sources				
Capital outlay state aid	217,473	250,597	265,680	(15,083)
Other Sources				
Transfers from other funds	310,000	-	-	-
Total Cash Receipts	$ 1,457,567	$ 1,253,319	$ 1,170,138	$ 83,181
EXPENDITURES				
Instruction	$ 308,289	$ 126,143	$ 290,000	$ (163,857)
Student support services	1,534	50,811	12,500	38,311
Instructional support staff	431	8,506	25,000	(16,494)
General administration	-	219,572	12,500	207,072
School administration	-	399	12,500	(12,101)
Central services	480	25	25,019	(24,994)
Operations and maintenance	538,336	19,064	493,600	(474,536)
Student transportation	122,492	61,728	175,000	(113,272)
Other support services	1,100	1,100	7,500	(6,400)
Debt service	326,552	325,860	325,860	-
Facility acquisition and construction	4,972	59,305	995,000	(935,695)
Total Expenditures	$ 1,304,186	$ 872,513	$ 2,374,479	$ (1,501,966)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 153,381	$ 380,806		
UNENCUMBERED CASH - BEGINNING	1,050,960	1,204,341		
UNENCUMBERED CASH - ENDING	$ 1,204,341	$ 1,585,147		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 6,054	$ 5,905	$ 7,850	$ (1,945)
State Sources				
State safety aid	7,420	6,960	7,425	(465)
Total Cash Receipts	$ 13,474	$ 12,865	$ 15,275	$ (2,410)
EXPENDITURES				
Instruction	$ 12,931	$ 12,663	$ 18,855	$ (6,192)
Operations and maintenance	1,155	880	4,475	(3,595)
Total Expenditures	$ 14,086	$ 13,543	$ 23,330	$ (9,787)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (612)	$ (678)		
UNENCUMBERED CASH - BEGINNING	27,596	26,984		
UNENCUMBERED CASH - ENDING	$ 26,984	$ 26,306		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Interest	$ -	$ -	$ -	$ -
Food service sales	158,221	142,917	178,951	(36,034)
Other	-	148	10,000	(9,852)
State Sources				
School food assistance	3,769	3,646	3,180	466
Federal Sources				
Child nutrition programs	258,965	239,152	260,946	(21,794)
Other Sources				
Transfers from other funds	4,716	36,636	15,000	21,636
Total Cash Receipts	$ 425,671	$ 422,499	$ 468,077	$ (45,578)
EXPENDITURES				
Operations and maintenance	$ -	$ 92	$ 10,000	$ (9,908)
Central services	1,109	-	-	-
Food service	434,038	426,218	603,877	(177,659)
Total Expenditures	$ 435,147	$ 426,310	$ 613,877	$ (187,567)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (9,476)	$ (3,811)		
UNENCUMBERED CASH - BEGINNING	155,276	145,800		
UNENCUMBERED CASH - ENDING	$ 145,800	$ 141,989		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
State Sources				
State Aid	$ 3,168	$ 5,744	$ 8,250	$ (2,506)
Other Sources				
Transfers from other funds	64,500	35,000	25,000	10,000
Total Cash Receipts	$ 67,668	$ 40,744	$ 33,250	$ 7,494
EXPENDITURES				
Instructional support staff	$ 28,108	$ 46,696	$ 78,700	$ (32,004)
General administration	-	6,980	-	6,980
School administration	-	1,558	-	1,558
Central services	1,536	6,518	22,135	(15,617)
Total Expenditures	$ 29,644	$ 61,752	$ 100,835	$ (39,083)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 38,024	$ (21,008)		
UNENCUMBERED CASH - BEGINNING	32,174	70,198		
UNENCUMBERED CASH - ENDING	$ 70,198	$ 49,190		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Federal Sources				
Federal Aid	$ 75,934	$ 12,675	$ 35,000	$ (22,325)
CARES Act	-	-	12,675	(12,675)
Other Sources				
Transfers from other funds	1,969,496	1,713,376	1,656,000	57,376
Total Cash Receipts	$ 2,045,430	$ 1,726,051	$ 1,703,675	$ 22,376
EXPENDITURES				
Instruction	$ 1,756,709	$ 1,757,685	$ 2,292,265	$ (534,580)
Student support services	-	-	25,000	(25,000)
Central services	2,467	-	15,795	(15,795)
Student transportation	64,709	60,441	143,962	(83,521)
Total Expenditures	$ 1,823,885	$ 1,818,126	$ 2,477,022	$ (658,896)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 221,545	$ (92,075)		
UNENCUMBERED CASH - BEGINNING	551,801	773,346		
UNENCUMBERED CASH - ENDING	$ 773,346	$ 681,271		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 300	$ 75	$ 1,000	$ (925)
State Sources				
State aid	11,957	9,788	31,449	(21,661)
Other Sources				
Transfers from other funds	434,709	320,000	305,000	15,000
Total Cash Receipts	$ 446,966	$ 329,863	$ 337,449	$ (7,586)
EXPENDITURES				
Instruction	$ 362,281	$ 315,893	$ 430,993	$ (115,100)
Student transportation services	14,561	13,589	48,600	(35,011)
Total Expenditures	$ 376,842	$ 329,482	$ 479,593	$ (150,111)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 70,124	$ 381		
UNENCUMBERED CASH - BEGINNING	82,020	152,144		
UNENCUMBERED CASH - ENDING	$ 152,144	$ 152,525		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2024
With Comparative Actual Totals For The Prior Year Ended June 30, 2023

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
CASH RECEIPTS				
State Sources				
State Aid	$ 851,919	$ 830,894	$ 1,064,899	$ (234,005)
EXPENDITURES				
Instruction	$ 495,135	$ 482,916	$ 618,919	$ (136,003)
Student support services	34,673	33,817	43,341	(9,524)
Instructional support staff	66,364	64,726	82,956	(18,230)
General administration	35,184	34,316	43,980	(9,664)
School administration	94,478	92,146	118,098	(25,952)
Central services	24,194	18,585	21,766	(3,181)
Operations and maintenance	63,894	53,358	64,685	(11,327)
Student transportation	28,456	36,837	51,036	(14,199)
Food service	9,541	14,193	20,118	(5,925)
Total Expenditures	$ 851,919	$ 830,894	$ 1,064,899	$ (234,005)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2024

	Title I Low Income	Title II-A Improve Teacher Quality	Title IV-A Student Support & Acad. Enrich.	Contingency Reserve	Textbook & Student Material Revolving	St. Stephens	Trust Fund
RECEIPTS							
Local Sources							
Other	$ -	$ -	$ -	$ -	$ -	$ 60,100	$ 59,867
Federal Sources							
Federal aid	105,228	21,390	14,306	-	-	-	-
Other Sources							
Transfers from other funds	-	14,306	-	-	20,000	-	-
Total Receipts	$ 105,228	$ 35,696	$ 14,306	$ -	$ 20,000	$ 60,100	$ 59,867
EXPENDITURES							
Instruction	$ 105,228	$ 35,696	$ -	$ -	$ 21,679	$ 16,567	$ 24,167
Student support services	-	-	-	-	-	7,794	-
Other	-	-	-	-	-	-	19,957
Transfers to other funds	-	-	14,306	-	-	-	-
Total Expenditures	$ 105,228	$ 35,696	$ 14,306	$ -	$ 21,679	$ 24,361	$ 44,124
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -	$ -	$ -	$ (1,679)	$ 35,739	$ 15,743
UNENCUMBERED CASH - BEGINNING	-	-	-	842,055	96,426	31,088	65,107
UNENCUMBERED CASH - ENDING	$ -	$ -	$ -	$ 842,055	$ 94,747	$ 66,827	$ 80,850

(Continued)

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2024

	Gifts and Grants	Trane HVAC	Payroll Clearing	ESSER III	COVID Grant
RECEIPTS					
Local Sources					
Other	$ 134,988	$ 19,705	$ -	$ -	$ -
State Sources					
State aid	39,374	-	-	-	-
Federal Sources					
Federal aid	-	-	-	523,162	88,208
Total Receipts	$ 174,362	$ 19,705	$ -	$ 523,162	$ 88,208
EXPENDITURES					
Instruction	$ 13,338	$ -	$ -	$ 153,121	$ -
Support					
Student support services	25,789	-	-	74,373	100,166
Instructional support staff	-	-	-	17,389	-
General administration	-	-	-	1,619	-
School administration	-	-	-	9,595	-
Central services	-	-	-	1,819	-
Operations and maintenance	-	810,671	-	5,660	-
Facility acquisition and construction	102,594	-	-	-	-
Food service	-	-	-	2,375	-
Other	-	-	(38,782)	6,694	-
Total Expenditures	$ 141,721	$ 810,671	$ (38,782)	$ 272,645	$ 100,166
RECEIPTS OVER (UNDER) EXPENDITURES	$ 32,641	$ (790,966)	$ 38,782	$ 250,517	$ (11,958)
UNENCUMBERED CASH - BEGINNING	5,728	1,071,442	11,610	(283,160)	(39,375)
UNENCUMBERED CASH - ENDING	$ 38,369	$ 280,476	$ 50,392	$ (32,643)	$ (51,333)

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2024

	Balance July 1, 2023	Cash Receipts	Cash Disbursements	Balance June 30, 2024
Student Organization Funds				
Soderstrom Elementary School	$ 3,089	$ 79,900	$ 80,252	$ 2,737
Smoky Valley Middle School	14,467	108,552	106,795	16,224
Smoky Valley High School	144,941	315,189	300,874	159,256
Smoky Valley Virtual Charter School	-	14,045	11,526	2,519
Payroll Clearing	11,610	38,782	-	50,392
Sales Tax	3	7,773	7,761	15
Total Agency Funds	$ 174,110	$ 564,241	507,208	$ 231,143

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2024

	Balance July 1, 2023	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash	Add Encumbrances and Accounts Payable	Balance June 30, 2024
Gate receipts	$ -	$ 19,378	$ 19,378	$ -	$ -	$ -

January 20, 2025

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Smoky Valley Unified School District No. 400
Lindsborg, Kansas

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of Smoky Valley Unified School District No. 400 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated January 20, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

VARNEY
& ASSOCIATES, CPAs, LLC

January 20, 2025

Board of Education
Smoky Valley Unified School District No. 400
Lindsborg, Kansas

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance

Unmodified Opinions

We have audited Unified School District No. 400's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of 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 Unmodified Opinions

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast	10.553	DO400	$ 37,382
Commodity Credit Corporation Supply Chain Assistance	10.555	DO400	22,572
Section 4	10.555	DO400	151,892
NSLP Supply Chain Assistance	10.555	DO400	-
Cash for Commodities	10.559	DO400	20,318
Total Child Nutrition Cluster			$ 232,164
Local Food for Schools	10.185	DO400	7,152
Total U.S. Department of Agriculture			$ 239,316
U.S. Department of Education			
Passed through Kansas Department of Education			
Title 1 Low Income Education Needs of Disadvantaged Children	84.010	DO400	$ 105,228
Title II A Improving Teacher Quality/Supporting Effective Instruction	84.367	DO400	21,390
Student Support	84.424	DO400	14,306
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief III	84.425U	DO400	272,645
Total U.S. Department of Education			$ 413,569
U.S. Department of Health and Human Services			
Passed through Kansas Department of Education			
COVID-19 - KDHE K-12 Stay Positive	93.323	DO400	$ 100,166
TOTAL FEDERAL EXPENDITURES			$ 753,051

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2024

Note 1: Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the cash basis of accounting, modified to include recognition of accounts payable and encumbrances.

The information in this schedule is presented 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 (Uniform Guidance).

Note 2: Non-Cash Assistance, Insurance, and Loans

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2024.

Note 3: Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414 for reporting costs charged to federal award programs.

USD 400 - SMOKY VALLEY
Lindsborg, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statement

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

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	_X_ No
Reportable conditions identified not considered to be material weaknesses?	___ Yes	_X_ None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	___ Yes	_X_ No

Identification of major programs:

Name of Federal program	CFDA Number
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief III	84.425U
KDHE K-12 Stay Positive	93.323

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	___ Yes	_X_ No

Note:

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

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.