CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
CLEARWATER, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2024

BFR

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
TABLE OF CONTENTS
JUNE 30, 2024

	Page
Independent Auditors' Report	1 – 4
Financial Statement	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	5
Notes to Financial Statement	6 – 13
Regulatory-Required Supplementary Information	
Summary of Expenditures - Actual and Budget	14
Schedule of Cash Receipts and Expenditures - Actual and Budget	
General Fund	15
Supplemental General Fund	16
Preschool-Aged At-Risk Fund	17
At Risk (K-12) Fund	18
Bilingual Education Fund	19
Virtual Education Fund	20
Capital Outlay Fund	21
Driver Training Fund	22
Food Service Fund	23
Professional Development Fund	24
Special Education Fund	25
Career and Postsecondary Education Fund	26
KPERS Contribution Fund	27
Recreation Commission Fund	28
Recreation Commission Employee Benefits Fund	29
Bond & Interest Fund	30
Schedule of Cash Receipts and Expenditures - Actual	
Federal Funds	31
Gifts and Grants Fund	32
Contingency Reserve Fund	33
Textbook & Student Material Revolving Fund	34
Perkins Consortium Vo-Ed Grant	35
HS FACS Grants	36
Health Council Grant	37
Schedule of Cash Receipts and Cash Disbursements	
Agency Funds	38
Schedule of Cash Receipts, Expenditures, and Unencumbered Cash	
District Activity Funds	39 – 40
Federal Award Information	
Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of The Financial Statement Performed In Accordance With *Government Auditing Standards*	41 – 42
Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance	43 – 45
Schedule of Expenditures of Federal Awards	46
Notes to Schedule of Expenditures of Federal Awards	47
Schedule of Findings and Questioned Costs	48
Schedule of Prior Year Findings and Questioned Costs	49

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INDEPENDENT AUDITORS' REPORT

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
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 **Clearwater Unified School District No. 264, Clearwater, Kansas**, 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 **Clearwater Unified School District No. 264, Clearwater, Kansas**, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Clearwater Unified School District No. 264, Clearwater, Kansas** 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.

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Board of Education
Clearwater Unified School District No. 264

Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Clearwater Unified School District No. 264, Clearwater, Kansas**, 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 the 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements, and district activity funds schedules of regulatory basis cash receipts, expenditures, and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 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.

Board of Education
Clearwater Unified School District No. 264

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended June 30, 2023, and have issued our report thereon dated October 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 web site 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, 2023 (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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC

BFR CPA, LLC
December 4, 2024

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 9,553,685	$ 9,552,692	$ 993	$ 14,658	$ 15,651
Special Purpose Funds							
Supplemental General	79,251	0	3,052,235	3,045,046	86,440	10,385	96,825
Preschool-Aged At-Risk	10,000	0	43,002	43,002	10,000	11,100	21,100
At Risk (K-12)	217,888	0	1,026,023	1,141,562	102,349		102,349
Bilingual Education	1,148	0	6,103	0	7,251	0	7,251
Virtual Education	6,000	0	0	0	6,000	0	6,000
Capital Outlay	1,408,244	2,062	1,589,421	1,149,487	1,850,240	139,578	1,989,818
Driver Training	28,081	0	10,564	8,865	29,780	0	29,780
Food Service	291,088	0	685,938	780,799	196,227	0	196,227
Professional Development	88,611	0	116,397	105,008	100,000	345	100,345
Special Education	886,408	0	2,253,514	2,397,703	742,219	0	742,219
Career and Postsecondary Education	115,000	0	239,576	239,605	114,971	0	114,971
KPERS Contribution	0	0	941,742	941,742	0	0	0
Recreation Commission	20,805	0	267,698	288,503	0	0	0
Recreation Commission Employee Benefits	25,373	0	44,689	70,062	0	0	0
Federal Funds	(110,436)	0	665,820	555,384	0	0	0
Gifts and Grants	16,301	0	7,464	7,899	15,866	0	15,866
Contingency Reserve	829,548	0	170,452	0	1,000,000	0	1,000,000
Textbook & Student Material Revolving	207,134	0	53,924	48,380	212,678	0	212,678
Perkins Consortium Vo-Ed Grant	0	0	7,615	7,615	0	0	0
HS FACS Grants	140	0	555	641	54	0	54
Health Council Grant	734	0	0	0	734	0	734
District Activity Funds	128,876	0	363,176	357,714	134,338	0	134,338
Bond & Interest Fund	2,916,288	0	2,267,913	2,168,275	3,015,926	0	3,015,926
	$ 7,166,482	$ 2,062	$ 23,367,506	$ 22,909,984	$ 7,626,066	$ 176,066	$ 7,802,132

Composition of Cash:	Checking and Money Market Accounts	$ 6,891,748
	Investments	950,960
		7,842,708
	Agency Funds	(40,576)
		$ 7,802,132

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

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Clearwater Unified School District No. 264 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Clearwater, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The 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 accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

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 & interest 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 municipality is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

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

General Fund
Special Education

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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

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

Federal Funds
Contingency Reserve Fund
Perkins Consortium Vo-Ed Grant Fund
Health Council Grant
Gifts and Grants Fund
Textbook & Student Material Revolving Fund
HS FACS Grants Fund
District Activity Funds

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 - 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 were transferred to the System.

The 2021 Legislature passed Senate 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 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 $941,742 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 $8,827,948. 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 3 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 4 - Termination Benefits:

The District supports an early retirement plan for certified staff under the negotiated agreement. Certified staff are eligible under the plan if they were employed by the District for terms prior to 2007-2008, 60 years of age, and have been employed by the District for ten years of continuous service and an additional five years under KPERS employment. Certified staff electing early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 75% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

Certified staff employed by the District for periods prior to 2007-2008 are also eligible under the plan for a reduced retirement benefit at age 55 or an age that fulfills the KPERS retirement options, have a minimum of ten years continuous service with the District, and have an additional five years under KPERS employment. Certified staff electing the reduced early retirement will receive continued salary until age 65, deceased, or if they choose to draw social security before age 65, at an amount of 50% of the difference between the certified staff's salary and the base salary in effect. However, in no event will regular or reduced benefit exceed the amount to which a participant would be entitled on account of normal retirement under the Social Security Act.

It is the policy of the District to record early retirement benefits as expenditures when paid. The District paid $121,376 in postemployment benefits for 14 former employees during the year ended June 30, 2024.

Note 5 - Deposits & Investments:

As of June 30, 2024, the District had the following investments:

Investment Type	Fair Value	Rating U.S.
Kansas Municipal Investment Pool	$ 950,960	N/A

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

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of 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. The rating of the District's investments is noted above.

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, 2024, is as follows:

Investment Type	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. 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%. All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $6,891,748 and the bank balance was $8,477,862. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $436,901 was covered by federal depository insurance and the remaining $8,040,961 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.

At June 30, 2024, the District had invested $950,960 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 6 - Reimbursed Expenditures:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Note 7 - Contingencies:

Grant Programs
The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

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

Note 8 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:										
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Capital Outlay	Food Service	Professional Development	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material	Total
General Fund	$ 40,704	$ 756,115	$ 4,579	$ 400,000	$ 0	$ 0	$ 1,461,919	$ 104,676	$ 170,452	$ 8,875	$ 2,947,320
Supplemental General Fund	2,298	269,908	1,524	0	50,000	102,264	696,144	118,000	0	0	1,240,138
	$ 43,002	$ 1,026,023	$ 6,103	$ 400,000	$ 50,000	$ 102,264	$ 2,158,063	$ 222,676	$ 170,452	$ 8,875	$ 4,187,458

Note 9 - 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 the 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.

Note 10 - Other Post Employment Benefits:

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 11 - Subsequent Events:

The District has evaluated subsequent events through December 4, 2024, the date which the financial statement was available to be issued.

Note 12 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due either monthly or annually.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024

Terms for long-term liabilities for the District for the year ended June 30, 2024, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2017 Series	3.000 - 5.000	6/1/2017	$ 15,000,000	9/1/2036
2020 Series	1.250	7/1/2020	$ 4,595,000	9/1/2023
Capital Leases				
Multifunction Printers	0.00	12/19/2019	$ 75,660	2/15/2025

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2017 Series	$ 15,000,000	$ 0	$ 0	$ 15,000,000	$ 578,400
2020 Series	1,580,000	0	1,580,000	0	9,875
	16,580,000	0	1,580,000	15,000,000	588,275
Capital Leases					
Multifunction Printers	25,220	0	15,132	10,088	0
	25,220	0	15,132	10,088	0
	$ 16,605,220	$ 0	$ 1,595,132	$ 15,010,088	$ 588,275

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

	Principal			Interest			
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Total Principal and Interest
2025	$ 910,000	$ 10,088	$ 920,088	$ 555,650	$ 0	$ 555,650	$ 1,475,738
2026	960,000	0	960,000	508,900	0	508,900	1,468,900
2027	990,000	0	990,000	460,150	0	460,150	1,450,150
2028	1,050,000	0	1,050,000	409,150	0	409,150	1,459,150
2029	1,110,000	0	1,110,000	360,700	0	360,700	1,470,700
2030 - 2034	6,250,000	0	6,250,000	1,111,875	0	1,111,875	7,361,875
2035 - 2037	3,730,000	0	3,730,000	161,019	0	161,019	3,891,019
	$ 15,000,000	$ 10,088	$ 15,010,088	$ 3,567,444	$ 0	$ 3,567,444	$ 18,577,532

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 9,550,685	$ 0	$ 2,007	$ 9,552,692	$ 9,552,692	$ 0
Special Purpose Funds						
Supplemental General	3,047,700	0	0	3,047,700	3,045,046	(2,654)
Preschool-Aged At-Risk	55,000	0	0	55,000	43,002	(11,998)
At Risk (K-12)	1,263,716	0	0	1,263,716	1,141,562	(122,154)
Bilingual Education	4,922	0	0	4,922	0	(4,922)
Virtual Education	22,800	0	0	22,800	0	(22,800)
Capital Outlay	2,427,055	0	0	2,427,055	1,149,487	(1,277,568)
Driver Training	37,306	0	0	37,306	8,865	(28,441)
Food Service	865,043	0	0	865,043	780,799	(84,244)
Professional Development	159,985	0	0	159,985	105,008	(54,977)
Special Education	3,015,368	0	0	3,015,368	2,397,703	(617,665)
Career and Postsecondary Education	438,500	0	0	438,500	239,605	(198,895)
KPERS Contribution	1,116,795	0	0	1,116,795	941,742	(175,053)
Recreation Commission	312,950	0	0	312,950	288,503	(24,447)
Recreation Commission Employee Benefits	74,100	0	0	74,100	70,062	(4,038)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	555,384	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	7,899	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	48,380	XXXXXXXXXX
Perkins Consortium Vo-Ed Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	7,615	XXXXXXXXXX
HS FACS Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	641	XXXXXXXXXX
Health Council Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	357,714	XXXXXXXXXX
Bond & Interest Fund	2,168,275	0	0	2,168,275	2,168,275	0
	$ 24,560,200	$ 0	$ 2,007	$ 24,562,207	$ 22,909,984	$ (2,629,856)

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,000	$ 3,000	$ 9,566,986	$ (9,563,986)
State Sources	9,010,912	9,550,685	0	9,550,685
	9,011,912	9,553,685	$ 9,566,986	$ (13,301)
Expenditures				
Instruction	2,158,096	2,410,134	$ 2,562,736	$ (152,602)
Student Support Services	286,480	296,385	341,075	(44,690)
Instructional Support Staff	444,312	476,240	507,860	(31,620)
General Administration	209,355	224,644	228,250	(3,606)
School Administration	779,789	828,875	859,000	(30,125)
Central Services	258,946	274,404	321,600	(47,196)
Operations & Maintenance	1,526,899	1,500,026	1,676,035	(176,009)
Student Transportation Services	417,533	520,327	480,867	39,460
Other Support Services	48,124	69,660	0	69,660
Facility Acquisition & Construction Services	5,248	4,677	0	4,677
Transfers	2,877,130	2,947,320	2,573,262	374,058
Adjustment for Qualifying Budget Credits	0	0	2,007	(2,007)
	9,011,912	9,552,692	$ 9,552,692	$ 0
Receipts Over (Under) Expenditures	0	993		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 993		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,113,931	$ 1,273,098	$ 1,173,336	$ 99,762
County Sources	114,772	122,407	138,382	(15,975)
State Sources	1,606,285	1,656,730	1,656,730	0
	2,834,988	3,052,235	$ 2,968,448	$ 83,787
Expenditures				
Instruction	1,943,905	1,796,866	$ 2,086,247	$ (289,381)
General Administration	2,495	1,442	8,000	(6,558)
Operations & Maintenance	2,984	6,600	15,000	(8,400)
Transfers	888,074	1,240,138	938,453	301,685
	2,837,458	3,045,046	$ 3,047,700	$ (2,654)
Receipts Over (Under) Expenditures	(2,470)	7,189		
Unencumbered Cash, Beginning	81,721	79,251		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 79,251	$ 86,440		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Preschool-Aged At-Risk Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 31,528	$ 43,002	$ 45,000	$ (1,998)
	31,528	43,002	$ 45,000	$ (1,998)
Expenditures				
Instruction	31,348	40,302	$ 54,500	$ (14,198)
Instructional Support Staff	180	2,700	500	2,200
	31,528	43,002	$ 55,000	$ (11,998)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	10,000	10,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 10,000	$ 10,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

At Risk (K-12) Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 927,951	$ 1,026,023	$ 1,045,828	$ (19,805)
	927,951	1,026,023	$ 1,045,828	$ (19,805)
Expenditures				
Instruction	889,330	1,113,138	$ 1,114,950	$ (1,812)
Student Support Services	54,272	26,603	89,225	(62,622)
Instructional Support Staff	5,773	1,821	59,541	(57,720)
	949,375	1,141,562	$ 1,263,716	$ (122,154)
Receipts Over (Under) Expenditures	(21,424)	(115,539)		
Unencumbered Cash, Beginning	239,312	217,888		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 217,888	$ 102,349		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 969	$ 6,103	$ 3,774	$ 2,329
	969	6,103	$ 3,774	$ 2,329
Expenditures				
Instruction	0	0	$ 4,922	$ (4,922)
	0	0	$ 4,922	$ (4,922)
Receipts Over (Under) Expenditures	969	6,103		
Unencumbered Cash, Beginning	179	1,148		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,148	$ 7,251		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Virtual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 0	$ 0	$ 16,800	$ (16,800)
	0	0	$ 16,800	$ (16,800)
Expenditures				
Instruction	0	0	$ 22,800	$ (22,800)
	0	0	$ 22,800	$ (22,800)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	6,000	6,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 6,000	$ 6,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 695,045	$ 788,508	$ 608,844	$ 179,664
County Sources	66,020	69,084	78,038	(8,954)
State Sources	324,218	331,829	331,929	(100)
Transfers	0	400,000	0	400,000
	1,085,283	1,589,421	$ 1,018,811	$ 570,610
Expenditures				
Instruction	670,613	142,768	$ 852,952	$ (710,184)
Instructional Support Staff	2,660	0	0	0
General Administration	0	0	46,500	(46,500)
Operations & Maintenance	115,621	95,751	165,000	(69,249)
Transportation	100,194	182,743	335,000	(152,257)
Other Support Services	0	2,985	32,500	(29,515)
Facility Acquisition & Construction Services	290,824	725,240	995,103	(269,863)
	1,179,912	1,149,487	$ 2,427,055	$ (1,277,568)
Receipts Over (Under) Expenditures	(94,629)	439,934		
Unencumbered Cash, Beginning	1,502,873	1,408,244		
Prior Year Canceled Encumbrances	0	2,062		
Unencumbered Cash, Ending	$ 1,408,244	$ 1,850,240		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Driver Training Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 4,434	$ 6,794	$ 4,500	$ 2,294
State Sources	4,760	3,770	4,725	(955)
	9,194	10,564	$ 9,225	$ 1,339
Expenditures				
Instruction	4,925	7,599	$ 34,291	$ (26,692)
Instructional Support Staff	238	0	0	0
Central Services	0	0	3,015	(3,015)
Vehicle Operations, Maintenance Services	0	1,266	0	1,266
	5,163	8,865	$ 37,306	$ (28,441)
Receipts Over (Under) Expenditures	4,031	1,699		
Unencumbered Cash, Beginning	24,050	28,081		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 28,081	$ 29,780		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Food Service Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 296,590	$ 315,480	$ 240,985	$ 74,495
State Sources	5,758	5,518	4,441	1,077
Federal Sources	370,702	314,940	328,530	(13,590)
Transfers	0	50,000	0	50,000
	673,050	685,938	$ 573,956	$ 111,982
Expenditures				
Operations & Maintenance	2,195	3,481	$ 9,250	$ (5,769)
Food Service Operation	712,322	777,318	855,793	(78,475)
	714,517	780,799	$ 865,043	$ (84,244)
Receipts Over (Under) Expenditures	(41,467)	(94,861)		
Unencumbered Cash, Beginning	332,555	291,088		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 291,088	$ 196,227		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,080	$ 1,570	$ 0	$ 1,570
State Sources	7,012	12,563	6,375	6,188
Transfers	50,000	102,264	65,000	37,264
	58,092	116,397	$ 71,375	$ 45,022
Expenditures				
Instructional Support Staff	44,299	105,008	$ 159,985	$ (54,977)
	44,299	105,008	$ 159,985	$ (54,977)
Receipts Over (Under) Expenditures	13,793	11,389		
Unencumbered Cash, Beginning	74,818	88,611		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 88,611	$ 100,000		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 110,882	$ 95,451	$ 0	$ 95,451
Transfers	2,268,796	2,158,063	2,025,313	132,750
	2,379,678	2,253,514	$ 2,025,313	$ 228,201
Expenditures				
Instruction	2,179,612	2,195,877	$ 2,038,072	$ 157,805
Instructional Support Staff	706	1,071	2,100	(1,029)
Student Transportation Services	185,533	205,855	975,196	(769,341)
Other Support Services	0	(5,100)	0	(5,100)
	2,365,851	2,397,703	$ 3,015,368	$ (617,665)
Receipts Over (Under) Expenditures	13,827	(144,189)		
Unencumbered Cash, Beginning	872,581	886,408		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 886,408	$ 742,219		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 7,471	$ 16,900	$ 13,500	$ 3,400
Transfers	295,960	222,676	310,000	(87,324)
	303,431	239,576	$ 323,500	$ (83,924)
Expenditures				
Instruction	295,022	228,974	$ 438,500	$ (209,526)
Instructional Support Staff	25	10,631	0	10,631
	295,047	239,605	$ 438,500	$ (198,895)
Receipts Over (Under) Expenditures	8,384	(29)		
Unencumbered Cash, Beginning	106,616	115,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 115,000	$ 114,971		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

KPERS Contribution Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 971,126	$ 941,742	$ 1,116,795	$ (175,053)
	971,126	941,742	$ 1,116,795	$ (175,053)
Expenditures				
Instruction	543,441	508,352	$ 603,045	$ (94,693)
Student Support	49,625	51,890	61,500	(9,610)
Instructional Support Staff	49,625	51,890	61,500	(9,610)
General Administration	53,411	54,433	64,500	(10,067)
School Administration	77,010	70,160	83,250	(13,090)
Central Services	49,625	51,890	61,500	(9,610)
Operations & Maintenance	49,625	51,890	61,500	(9,610)
Student Transportation Services	49,625	51,890	61,500	(9,610)
Food Service Operation	49,139	49,347	58,500	(9,153)
	971,126	941,742	$ 1,116,795	$ (175,053)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 236,623	$ 241,796	$ 263,097	$ (21,301)
County Sources	25,013	25,902	29,283	(3,381)
	261,636	267,698	$ 292,380	$ (24,682)
Expenditures				
Community Service Operations	264,900	288,503	$ 312,950	$ (24,447)
	264,900	288,503	$ 312,950	$ (24,447)
Receipts Over (Under) Expenditures	(3,264)	(20,805)		
Unencumbered Cash, Beginning	24,069	20,805		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 20,805	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Recreation Commission Employee Benefits Fund

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 39,559	$ 40,375	$ 43,882	$ (3,507)
County Sources	4,163	4,314	4,883	(569)
	43,722	44,689	$ 48,765	$ (4,076)
Expenditures				
Community Service Operations	42,250	70,062	$ 74,100	$ (4,038)
	42,250	70,062	$ 74,100	$ (4,038)
Receipts Over (Under) Expenditures	1,472	(25,373)		
Unencumbered Cash, Beginning	23,901	25,373		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 25,373	$ 0		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH 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)

Bond & Interest Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,396,631	$ 1,290,339	$ 1,219,293	$ 71,046
County Sources	157,406	155,170	175,256	(20,086)
State Sources	851,176	822,404	822,404	0
	2,405,213	2,267,913	$ 2,216,953	$ 50,960
Expenditures				
Debt Service	2,122,619	2,168,275	$ 2,168,275	$ 0
	2,122,619	2,168,275	$ 2,168,275	$ 0
Receipts Over (Under) Expenditures	282,594	99,638		
Unencumbered Cash, Beginning	2,633,694	2,916,288		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 2,916,288	$ 3,015,926		

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 830,970	$ 665,820
	830,970	665,820
Expenditures		
Instruction	511,407	470,262
Student Support Services	17,145	25,251
Instructional Support Staff	117,586	55,040
Central Services	9,135	4,831
Student Transportation Services	878	0
	656,151	555,384
Receipts Over (Under) Expenditures	174,819	110,436
Unencumbered Cash, Beginning	(285,255)	(110,436)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (110,436)	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 26,117	$ 7,464
	26,117	7,464
Expenditures		
Instruction	25,979	7,899
	25,979	7,899
Receipts Over (Under) Expenditures	138	(435)
Unencumbered Cash, Beginning	16,163	16,301
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 16,301	$ 15,866

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 65,000	$ 170,452
	65,000	170,452
Expenditures		
Other Support Services	0	0
	0	0
Receipts Over (Under) Expenditures	65,000	170,452
Unencumbered Cash, Beginning	764,548	829,548
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 829,548	$ 1,000,000

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Textbook & Student Material
Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 50,432	$ 45,049
Transfers	125,000	8,875
	175,432	53,924
Expenditures		
Instruction	85,492	48,380
	85,492	48,380
Receipts Over (Under) Expenditures	89,940	5,544
Unencumbered Cash, Beginning	117,194	207,134
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 207,134	$ 212,678

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Perkins Consortium Vo-Ed Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 8,562	$ 7,615
	8,562	7,615
Expenditures		
Instruction	8,562	7,615
	8,562	7,615
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 0	$ 0

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

HS FACS Grants

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 2,599	$ 555
	2,599	555
Expenditures		
Instruction	2,564	641
	2,564	641
Receipts Over (Under) Expenditures	35	(86)
Unencumbered Cash, Beginning	105	140
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 140	$ 54

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Health Council Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 0	$ 0
	0	0
Expenditures		
Instruction	0	0
	0	0
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	734	734
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 734	$ 734

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Senior	$ 74	$ 6,265	$ 1,760	$ 4,579
Junior	6,339	10,524	13,332	3,531
Sophomore	2,060	5,447	5,926	1,581
Freshman	0	120	0	120
C-Club	7,202	210	3,745	3,667
SADD	1,772	1,140	1,510	1,402
Senior D.C. Trip	587	26,954	26,719	822
Stuco-B.O.S.	1,324	118	145	1,297
Kay	1,081	1,041	562	1,560
Stuco-Regular	2,861	6,028	7,920	969
Cheerleaders	8,031	20,589	23,264	5,356
Nat'l Honor Society	500	295	580	215
Color Guard	63	0	0	63
Dance Team	785	7,838	8,328	295
Art Club	28	0	0	28
Girls Who Code	2	0	0	2
FCCLA	2,472	7,572	8,222	1,822
FFA	0	8,648	2,880	5,768
	35,181	102,789	104,893	33,077
Intermediate - Middle School				
Cheerleaders	651	3,075	1,112	2,614
KAYS Group	1,303	1,067	1,257	1,113
Student Council-BOS	881	3,134	3,605	410
Tribal Council	3,861	10,439	10,938	3,362
	6,696	17,715	16,912	7,499
Total Agency Funds	$ 41,877	$ 120,504	$ 121,805	$ 40,576

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
High School							
Activities	$ 56,952	$ 0	$ 258,123	$ 260,816	$ 54,259	$ 0	$ 54,259
Yearbook	16,804	0	10,745	10,256	17,293	0	17,293
Industrial Arts	925	0	3,363	963	3,325	0	3,325
Drama	2,829	0	5,120	5,764	2,185	0	2,185
Instrumental Music	5,597	0	1,748	795	6,550	0	6,550
Vocal Music	7,831	0	2,820	2,238	8,413	0	8,413
Photo/Art	2,866	0	259	54	3,071	0	3,071
RevTrack	333	0	0	0	333	0	333
CHS Crime Stoppers	32	0	0	0	32	0	32
School Improvement	1,226	0	0	229	997	0	997
	95,395	0	282,178	281,115	96,458	0	96,458
Intermediate - Middle School							
Activities	16,489	0	58,309	53,832	20,966	0	20,966
IM Yearbook	676	0	3,332	3,183	825	0	825
MS Yearbook	934	0	1,440	1,202	1,172	0	1,172
Vocal Music	579	0	0	579	0	0	0
Field Trips/Apparel/Track Team	137	0	3,489	3,205	421	0	421
Field Day	0	0	50	0	50	0	50
Outdoor Classroom	427	0	1,095	356	1,166	0	1,166
RevTrack	114	0	0	0	114	0	114
Book Fair	84	0	1,672	1,672	84	0	84
	19,440	0	69,387	64,029	24,798	0	24,798

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Grade School West							
Yearbook	2,336	0	2,219	2,564	1,991	0	1,991
Field Day	3,549	0	2,785	3,246	3,088	0	3,088
Field Trip/Apparel	2,699	0	50	0	2,749	0	2,749
Stuco (BOS)	5,027	0	316	746	4,597	0	4,597
RevTrack	272	0	383	156	499	0	499
PTO Donations	0	0	1,748	1,748	0	0	0
Book Fair	158	0	4,110	4,110	158	0	158
	14,041	0	11,611	12,570	13,082	0	13,082
Total District Activity Funds	$ 128,876	$ 0	$ 363,176	$ 357,714	$ 134,338	$ 0	$ 134,338

FEDERAL AWARD INFORMATION

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

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 **Clearwater Unified School District No. 264, Clearwater, Kansas**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statement, which collectively comprise **Clearwater Unified School District No. 264, Clearwater, Kansas'** basic financial statement, and have issued our report thereon dated December 4, 2024. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 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 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.

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Board of Education
Clearwater Unified School District No. 264

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result 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.

BFR CPA, LLC

BFR CPA, LLC
December 4, 2024

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

Board of Education
Clearwater Unified School District No. 264
Clearwater, Kansas

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the types of compliance requirements described as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal program for the year ended **June 30, 2024**. **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Clearwater Unified School District No. 264, Clearwater, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended **June 30, 2024**.

Basis for Opinion on The Major Federal Program

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

We are required to be independent of **Clearwater Unified School District No. 264, Clearwater, Kansas** 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the compliance requirements referred to above.

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Board of Education
Clearwater Unified School District No. 264

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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** major federal program.

Auditors' 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a 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 aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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 **Clearwater Unified School District No. 264, Clearwater, Kansas'** 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.

Board of Education
Clearwater Unified School District No. 264

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 major 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 major 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 major 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 Auditors' 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 weakness 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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BFR CPA, LLC
December 4, 2024

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grant Title	Assistance Listing Number	Program Amount	Expenditures
(Passes Through Kansas Department of Education)			
Department of Agriculture			
Child Nutrition Cluster-Cluster			
School Breakfast Program	10.553	$ 51,442	$ 51,442
National School Lunch Program	10.555	232,761	232,761
Summer Food Service Program for Children	10.559	30,737	30,737
		314,940	314,940
Department of Education			
Title I Grants to Local Educational Agencies	84.010	156,629	156,629
Supporting Effective Instruction State Grants	84.367	27,289	27,289
Student Support and Academic Enrichment Program	84.424	18,103	18,103
COVID-19 Education Stabilization Fund	84.425U	963,120	353,363
		1,165,141	555,384
(Passes Through South Central Kansas Education Service Center)			
Department of Education			
Career and Technical Education - Basic Grants to States	84.048	7,615	7,615
Total Federal Awards		$ 1,487,696	$ 877,939

The accompanying notes are an integral part of the schedule.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Clearwater Unified School District No. 264, Clearwater, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement in accordance with the regulatory basis of accounting of **Clearwater Unified School District No. 264, Clearwater, Kansas**.

2. No significant deficiencies or material weaknesses were reported in the Independent Auditors' 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*.

3. No instances of noncompliance material to the financial statement of **Clearwater Unified School District No. 264, Clearwater, Kansas**, were disclosed during the audit.

4. No significant deficiencies or material weakness were reported in the Independent Auditors' Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.

5. The independent auditors' report on compliance for the major federal award program for **Clearwater Unified School District No. 264, Clearwater, Kansas**, expresses an unmodified opinion on all the federal program.

6. There were no audit findings relative to the major federal award program for **Clearwater Unified School District No. 264, Clearwater, Kansas**.

7. The program tested as a major program was:
   COVID-19 Education Stabilization Fund 84.425U

8. The threshold for distinguishing Types A and B programs was $750,000.

9. **Clearwater Unified School District No. 264, Clearwater, Kansas**, was determined not to be a low-risk auditee.

CLEARWATER UNIFIED SCHOOL DISTRICT NO. 264
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

There are no prior audit findings.