UNIFIED SCHOOL DISTRICT NO. 395
LACROSSE, KANSAS

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 395 LaCrosse, Kansas
LaCrosse, Kansas

Report on the Audit of the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 395 LaCrosse, Kansas**, as of and for the year ended June 30, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide* 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 Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

Responsibilities of Management for the Financial Statement

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

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

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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 October 16, 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/accounts-reports/local-government/municipal-services/municipal-audits. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024, 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Hays, Kansas

October 14, 2024

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types								
General Funds								
General Fund	$ 40	-	-	3,116,452	3,115,730	**762**	-	**762**
Supplemental General Fund	26,236	-	-	1,006,009	996,105	**36,140**	-	**36,140**
Special Purpose Funds								
Capital Outlay Fund	1,074,883	(30,350)	-	745,581	176,991	**1,613,123**	47,124	**1,660,247**
Driver Training Fund	49,913	-	-	5,420	4,737	**50,596**	-	**50,596**
Food Service Fund	92,399	-	-	286,687	289,368	**89,718**	-	**89,718**
Professional Development Fund	8,882	-	-	-	1,670	**7,212**	-	**7,212**
Summer School Fund	10,650	-	-	2,219	2,219	**10,650**	-	**10,650**
Special Education Fund	280,520	-	-	615,779	595,728	**300,571**	-	**300,571**
Vocational Education Fund	86,485	-	-	174,638	203,336	**57,787**	-	**57,787**
KPERS Special Retirement Contribution Fund	-	-	-	354,638	354,638	**-**	-	**-**
At Risk (K-12) Fund	-	-	-	402,120	402,120	**-**	-	**-**
Contingency Reserve Fund	264,910	-	-	-	-	**264,910**	-	**264,910**
Textbook Rental Fund	66,223	30,350	-	21,046	10,724	**106,895**	-	**106,895**
Title I Fund	-	-	-	73,439	73,439	**-**	-	**-**
REAP Fund	-	-	-	24,081	35,348	**(11,267)**	-	**(11,267)**
Title II A - Teacher Quality Fund	-	-	-	14,054	14,054	**-**	-	**-**
Title V Fund	-	-	-	13,161	13,161	**-**	-	**-**
Gifts and Grants Fund	96,215	-	-	12,004	1,135	**107,084**	-	**107,084**
Federal Funds Fund	-	-	-	206,013	211,680	**(5,667)**	-	**(5,667)**
KDHE Testing Fund	(22,271)	-	-	666,839	669,777	**(25,209)**	-	**(25,209)**
District Activity Funds	42,049	(18,101)	-	54,756	55,167	**23,537**	-	**23,537**
Capital Project Fund								
Capital Improvements Fund	-	-	-	11,837,085	985,340	**10,851,745**	240,078	**11,091,823**
Total Reporting Entity (Excluding Agency Funds)	$ 2,077,134	(18,101)	-	19,632,021	8,212,467	**13,478,587**	287,202	**13,765,789**

Composition of Cash		
Checking Accounts	$	**609,869**
Savings Accounts		**1,186,801**
Certificates of Deposit		**5,961,000**
Investments		**6,072,556**
Total Cash		**13,830,226**
Agency Funds per Schedule 3		**(64,437)**
Total Reporting Entity (Excluding Agency Funds)	$	**13,765,789**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 395 LaCrosse, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. The District has no related municipal entities.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is 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 minimum number of funds is maintained consistent with legal and managerial requirements.

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

Regulatory Basis Fund Types

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

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

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

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

Basis of Accounting

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 generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Reimbursements
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 KMAAG regulatory basis of accounting.

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), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

a. Preparation of the budget for the succeeding calendar year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

d. 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 rate hearing this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 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 budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Fund, REAP Fund, Title II A – Teacher Quality Fund, Title V Fund, Federal Funds Fund, KDHE Testing Fund, and 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 3 – DEPOSITS AND INVESTMENTS

Unified School District No. 395 LaCrosse, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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 below.

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

Investment Type		**Fair Value**	Investment Maturities (in years) Less than 1	Rating
U.S. Treasury Notes	$	**6,072,556**	6,072,556	A+

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 K.S.A. 9-1405. The District's allocation of investments as of June 30, 2024, is as follows:

Investments	Percentage of Investments
U.S. Treasury Notes	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%. The District does not use "peak periods". All deposits were not legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $7,757,670 and the bank balance was $8,060,951. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, $2,018,557 was covered by federal depository insurance, $2,331,394 was collateralized with securities held by the pledging financial institutions' agents in the District's name, and $3,711,000 was unsecured.

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

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 395 LaCrosse, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2024 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Food Service Fund	K.S.A. 72-5167	$	115,000
General Fund	Special Education Fund	K.S.A. 72-5167		526,478
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167		310,877
General Fund	Capital Outlay Fund	K.S.A. 72-5167		278,620
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143		91,243
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143		83,580
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-5143		174,638

NOTE 5 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

		Project Authorization	Expenditures To Date
High School Remodel Project	$	10,975,000	628,618

NOTE 6 – LITIGATION

Unified School District No. 395 LaCrosse, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

NOTE 7 – RISK MANAGEMENT

Unified School District No. 395 LaCrosse, Kansas is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other districts in the State to participate in Kansas Association of School Boards Risk Management Services, a public entity risk pool currently operating as a common risk management and insurance program for 120 participating members.

The District pays an annual premium to Kansas Association of School Boards Risk Management Services for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Risk Management Services will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Association of School Boards Risk Management Services' management.

The District carries commercial insurance coverage for claims arising from matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 8 – GRANTS AND SHARED REVENUES

Unified School District No. 395 LaCrosse, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – DEFERRED COMPENSATION PLAN

Unified School District No. 395 LaCrosse, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description
Unified School District No. 395 LaCrosse, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.88% 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%, respectively, for the fiscal year ended June 30, 2024.

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

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

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 $354,638 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 $3,687,628. 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, 2020, 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 11 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **Unified School District No. 395 LaCrosse, Kansas** 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.

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 12 – COMPENSATED ABSENCES

Vacation

The District's contracts with various employees permit the employees to accumulate various amounts of vacation and sick leave. The contracts state that accumulated vacation must be taken by the end of the contract date or the time will be lost.

Sick Leave

The District's policy for sick leave is that employees shall be granted leave at the rate of ten (10) days per year until the maximum accumulation of ninety (90) days is reached. The ten days will be granted at the beginning of the contract year until the maximum accumulation of ninety (90) days will be exceeded at which time a pro rated number of days will be added to bring the total accumulated sick leave days to ninety (90). Under no circumstances can the maximum number of sick leave days exceed ninety (90) at the beginning of any one school year. If a teacher has a minimum sick leave of 30 days, the teacher may exchange three days of sick leave for one personal leave day. The teacher may acquire a maximum of three personal days each year through this exchange.

Teachers that have been employed by the district for 10 or more years will be paid for unused accumulated sick leave at the rate of $50 per day for a maximum of sixty (60) days at the time of retirement, reduction in force, total disability, or death. Teachers new to the district or with less than 10 years of experience will not be paid for unused sick leave.

Sick Leave Bank – The sick leave bank is voluntary and open to all teachers covered by the negotiated agreement approved by the District. The purpose of the sick leave bank is to allow staff members to contribute unused sick leave to a pool and allow participating members, who have exhausted their accumulated sick leave, to draw from the pool and avoid having their pay reduced. The sick leave bank is administered by the District pursuant to the guidelines it has established. At the end of each regular school year, any excess days a teacher has accumulated beyond 90 days will be placed in the sick leave bank. If the sick leave bank is short of 60 days after excess days are placed in the bank, then all teachers shall contribute one day to the District sick leave bank. Teachers in the District may voluntarily contribute three additional days to the bank. Days remaining in the bank at the end of the regular school year shall accumulate from year to year to a maximum of 60 days. Teachers shall not be eligible for the sick leave bank until they have depleted their current and accumulated individual sick leave. Use of the sick leave bank is subject to approval by the District after the teacher becomes eligible.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

During the year, the District received notice that expenditures originally paid for using ESSER funds were disallowed. The expenditures were paid from the Capital Outlay Fund in a previous fiscal year. The District was instructed to switch the expenditures with textbooks, which are an allowable expenditure. Beginning unencumbered cash was adjusted in order to account for the switch in expenditures for ESSER purposes, which resulted in an increase to unencumbered cash in the Textbook Rental Fund and a decrease to unencumbered cash in the Capital Outlay Fund in the amount of $30,350. The net effect on the District's total unencumbered cash was $0. Beginning unencumbered cash also decreased by $18,101 due to reclassification of activities from District Activity Funds to Agency Funds.

NOTE 14 – LONG-TERM DEBT

Unified School District No. 395 LaCrosse, Kansas has the following type of long-term debt.

Finance Lease Obligations

The District has entered into a finance lease agreement for the use of equipment with no option to purchase at the expiration of the lease term.

General Obligation Bond

On February 1, 2024, the District issued $10,975,000 in General Obligation Bonds Series 2024 for the purpose of remodeling the high school.

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
Finance Lease Obligation									
Durham School Services	0.000%	7/21/2019	$ 1,160,285	6/30/2024	$ 245,973	-	(245,973) *	**-**	-
General Obligation Bonds									
Series 2024	4.00-5.00%	2/1/2024	10,975,000	9/1/2044	-	10,975,000	-	**10,975,000**	-
Total Contractual Indebtedness					$ 245,973	10,975,000	(245,973)	**10,975,000**	-

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

	YEAR									
	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	2045	**Total**
Principal										
General Obligation Bonds	$ -	240,000	275,000	295,000	325,000	2,080,000	2,955,000	3,890,000	915,000	**10,975,000**
Interest										
General Obligation Bonds	516,046	470,350	457,475	443,225	427,725	1,854,250	1,273,700	589,000	18,300	**6,050,071**
Total Principal and Interest	$ **516,046**	**710,350**	**732,475**	**738,225**	**752,725**	**3,934,250**	**4,228,700**	**4,479,000**	**933,300**	**17,025,071**

*Durham School Services estimates the annual required payment for each year at commencement of the lease agreement. The amounts shown in the tables above reflect the estimates provided. The actual amount paid to Durham School Services for the current year was $290,117.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
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)
Regulatory Basis Fund Types						
General Funds						
General Fund	$ 3,162,701	(47,827)	856	3,115,730	**3,115,730**	-
Supplemental General Fund	1,011,471	(15,366)	-	996,105	**996,105**	-
Special Purpose Funds						
Capital Outlay Fund	1,060,000	-	-	1,060,000	**176,991**	(883,009)
Driver Training Fund	10,655	-	-	10,655	**4,737**	(5,918)
Food Service Fund	368,984	-	-	368,984	**289,368**	(79,616)
Professional Development Fund	3,000	-	-	3,000	**1,670**	(1,330)
Summer School Fund	2,260	-	-	2,260	**2,219**	(41)
Special Education Fund	620,675	-	-	620,675	**595,728**	(24,947)
Vocational Education Fund	281,120	-	-	281,120	**203,336**	(77,784)
KPERS Special Retirement Contribution Fund	383,026	-	-	383,026	**354,638**	(28,388)
At Risk (K-12) Fund	456,102	-	-	456,102	**402,120**	(53,982)
Gifts and Grants Fund	96,215	-	-	96,215	**1,135**	(95,080)

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)
Receipts				
Intergovernmental Revenues				
Mineral Severance Tax	$ 4,987	**2,809**	-	2,809
Equalization Aid	2,618,519	**2,724,729**	2,755,085	(30,356)
Special Education Aid	353,106	**388,058**	384,075	3,983
State Aid	1,000	**856**	-	856
Federal Aid	150	**-**	-	-
Total Receipts	2,977,762	**3,116,452**	3,139,160	(22,708)
Expenditures				
Instruction	744,382	**712,250**	948,350	(236,100)
Student Support Services	-	**1,624**	-	1,624
Instructional Support Services	8,719	**4,660**	9,800	(5,140)
General Administration	199,141	**214,104**	207,900	6,204
School Administration	201,503	**224,660**	217,700	6,960
Central Services	59,715	**64,187**	68,045	(3,858)
Operation and Maintenance	390,487	**421,150**	457,500	(36,350)
Vehicle Operating Services	234,250	**242,120**	281,000	(38,880)
Transfers Out	1,140,335	**1,230,975**	972,406	258,569
Adjustment to Comply with Legal Max	-	**-**	(47,827)	47,827
Legal General Fund Budget	2,978,532	**3,115,730**	3,114,874	856
(a) Adjustment for Qualifying Budget Credit	-	**-**	856	(856)
Total Expenditures and Legal General Fund Budget	2,978,532	**3,115,730**	3,115,730	-
Receipts Over (Under) Expenditures	(770)	**722**		
Unencumbered Cash - Beginning	770	**40**		
Prior Year Cancelled Encumbrances	40	**-**		
Unencumbered Cash - Ending	$ 40	**762**		

(a) Adjustment for Qualifying Budget Credit

State Aid Over Amount Budgeted	$ 856

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Taxes	$ 714,613	**754,393**	775,792	(21,399)
Intergovernmental Revenues				
Equalization Aid	193,017	**251,616**	255,498	(3,882)
Transfers In	-	**-**	2,000	(2,000)
Total Receipts	907,630	**1,006,009**	1,033,290	(27,281)
Expenditures				
Instruction	490,397	**641,527**	582,300	59,227
Instructional Support Services	1,778	**1,802**	44,020	(42,218)
Operation and Maintenance	1,293	**3,315**	5,000	(1,685)
Transfers Out	427,852	**349,461**	380,151	(30,690)
Adjustment to Comply with Legal Max	-	**-**	(15,366)	15,366
Total Expenditures	921,320	**996,105**	996,105	-
Receipts Over (Under) Expenditures	(13,690)	**9,904**		
Unencumbered Cash - Beginning	39,926	**26,236**		
Unencumbered Cash - Ending	$ 26,236	**36,140**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Taxes	$ 268,158	**271,042**	256,645	14,397
Intergovernmental Revenues				
Federal Aid - ESSER III	23,375	**34,718**	-	34,718
Federal Aid - ARPA	-	**7,235**	-	7,235
State Aid	17,672	**42,419**	42,421	(2)
Other Local Sources				
Interest on Idle Funds	18,441	**45,713**	-	45,713
Miscellaneous	8,503	**52,388**	-	52,388
Reimbursements	-	**13,446**	-	13,446
Transfers In	323,500	**278,620**	130,645	147,975
Total Receipts	659,649	**745,581**	429,711	315,870
Expenditures				
Instruction	125,821	**47,029**	150,000	(102,971)
General Administration	23,920	**39,384**	150,000	(110,616)
School Administration	34,332	**10,243**	50,000	(39,757)
Operations and Maintenance	7,686	**11,178**	50,000	(38,822)
Transportation	-	**-**	60,000	(60,000)
Facility Acquisition and Construction	41,234	**69,157**	600,000	(530,843)
Total Expenditures	232,993	**176,991**	1,060,000	(883,009)
Receipts Over (Under) Expenditures	426,656	**568,590**		
Unencumbered Cash - Beginning As Previously Stated	648,219	**1,074,883**		
Prior Period Adjustment	-	**(30,350)**		
Unencumbered Cash - Beginning As Restated	648,219	**1,044,533**		
Prior Year Cancelled Encumbrances	8	**-**		
Unencumbered Cash - Ending	$ 1,074,883	**1,613,123**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 3,220	**2,320**	2,970	(650)
Other Local Sources				
Student Fees	3,600	**3,100**	-	3,100
Total Receipts	6,820	**5,420**	2,970	2,450
Expenditures				
Instruction	10	**3,540**	9,655	(6,115)
Vehicle Operating Services	120	**1,197**	1,000	197
Total Expenditures	130	**4,737**	10,655	(5,918)
Receipts Over (Under) Expenditures	6,690	**683**		
Unencumbered Cash - Beginning	43,223	**49,913**		
Unencumbered Cash - Ending	$ 49,913	**50,596**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)
Receipts				
Intergovernmental Revenues				
State Aid	$ 1,914	**1,718**	1,494	224
Federal Aid	142,548	**106,010**	120,636	(14,626)
Federal Aid - ARPA	-	**10,364**	-	10,364
Other Local Sources				
Lunch Receipts - Students	55,260	**50,280**	56,255	(5,975)
Lunch Receipts - Adults	3,622	**3,127**	8,200	(5,073)
Transfers In	80,000	**115,000**	90,000	25,000
Miscellaneous	459	**188**	-	188
Total Receipts	283,803	**286,687**	276,585	10,102
Expenditures				
Food Service Operation	279,782	**289,368**	368,984	(79,616)
Receipts Over (Under) Expenditures	4,021	**(2,681)**		
Unencumbered Cash - Beginning	88,378	**92,399**		
Unencumbered Cash - Ending	$ 92,399	**89,718**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
State Aid	$ -	**-**	375	(375)
Transfers In	-	**-**	25,000	(25,000)
Total Receipts	-	**-**	25,375	(25,375)
Expenditures				
Instructional Support Services	-	**1,670**	3,000	(1,330)
Receipts Over (Under) Expenditures	-	**(1,670)**		
Unencumbered Cash - Beginning	8,882	**8,882**		
Unencumbered Cash - Ending	$ 8,882	**7,212**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Summer School 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)
Receipts				
Intergovernmental Revenues				
Federal Aid - ESSER III	$ -	**2,219**	-	2,219
Other Local Sources				
Transfers In	6,689	**-**	-	-
Total Receipts	6,689	**2,219**	-	2,219
Expenditures				
Instruction	76	**2,219**	2,260	(41)
Receipts Over (Under) Expenditures	6,613	**-**		
Unencumbered Cash - Beginning	4,037	**10,650**		
Unencumbered Cash - Ending	$ 10,650	**10,650**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Transfers In	$ 556,891	**610,058**	450,810	159,248
Reimbursements	4,431	**5,721**	-	5,721
Total Receipts	561,322	**615,779**	450,810	164,969
Expenditures				
Instruction	474,612	**507,289**	517,675	(10,386)
Vehicle Operating Services	77,477	**88,439**	103,000	(14,561)
Total Expenditures	552,089	**595,728**	620,675	(24,947)
Receipts Over (Under) Expenditures	9,233	**20,051**		
Unencumbered Cash - Beginning	271,287	**280,520**		
Unencumbered Cash - Ending	$ 280,520	**300,571**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Vocational 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)
Receipts				
Transfers In	$ 180,000	**174,638**	200,000	(25,362)
Expenditures				
Instruction	182,900	**203,336**	281,120	(77,784)
Receipts Over (Under) Expenditures	(2,900)	**(28,698)**		
Unencumbered Cash - Beginning	89,385	**86,485**		
Unencumbered Cash - Ending	$ 86,485	**57,787**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 354,654	**354,638**	383,026	(28,388)
Expenditures				
Instruction	241,164	**241,154**	260,458	(19,304)
Student Support Services	7,093	**7,093**	7,661	(568)
Instructional Support Services	10,640	**10,639**	11,491	(852)
General Administration	17,733	**17,732**	19,151	(1,419)
School Administration	28,372	**28,371**	30,642	(2,271)
Employee Benefits - Business	10,640	**10,639**	11,491	(852)
Operations and Maintenance	21,279	**21,278**	22,982	(1,704)
Food Service	17,733	**17,732**	19,150	(1,418)
Total Expenditures	354,654	**354,638**	383,026	(28,388)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Transfers In	$ 421,107	**402,120**	456,102	(53,982)
Expenditures				
Instruction	421,107	**402,120**	456,102	(53,982)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Contingency Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		264,910	**264,910**
Unencumbered Cash - Ending	$	264,910	**264,910**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Textbook Rental Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Book Rental Fees	$	24,640	**21,046**
Expenditures			
Instruction		10,522	**10,724**
Receipts Over (Under) Expenditures		14,118	**10,322**
Unencumbered Cash - Beginning			
As Previously Stated		52,105	**66,223**
Prior Period Adjustment		-	**30,350**
Unencumbered Cash - Beginning			
As Restated		52,105	**96,573**
Unencumbered Cash - Ending	$	66,223	**106,895**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title I Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	59,778	**73,439**
Expenditures			
Instruction		59,778	**73,439**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
REAP Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	19,223	**24,081**
Expenditures			
Instruction		17,054	**35,348**
Receipts Over (Under) Expenditures		2,169	**(11,267)**
Unencumbered Cash - Beginning		(2,169)	**-**
Unencumbered Cash - Ending	$	-	**(11,267)**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title II A - Teacher Quality Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	11,198	**14,054**
Expenditures			
Instruction		11,198	**14,054**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title V Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	13,222	**13,161**
Expenditures			
Instruction		13,222	**13,161**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Gifts and Grants 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)
Receipts				
Intergovernmental Revenues				
State Aid	$ 90	**36**	-	36
Other Local Sources				
Donations	18,471	**11,968**	-	11,968
Total Receipts	18,561	**12,004**	-	12,004
Expenditures				
Instruction	-	**-**	96,215	(96,215)
Operation and Maintenance	-	**1,135**	-	1,135
Total Expenditures	-	**1,135**	96,215	(95,080)
Receipts Over (Under) Expenditures	18,561	**10,869**		
Unencumbered Cash - Beginning	77,654	**96,215**		
Unencumbered Cash - Ending	$ 96,215	**107,084**		

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Federal Funds Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	**Current Year Actual**
Receipts		
Intergovernmental Revenues		
Federal Aid - ESSER II	$ 223,604	**-**
Federal Aid - ESSER III	251,979	**206,013**
Total Receipts	475,583	**206,013**
Expenditures		
ESSER II Disbursements	141,728	**-**
ESSER III Disbursements	251,979	**211,680**
Total Expenditures	393,707	**211,680**
Receipts Over (Under) Expenditures	81,876	**(5,667)**
Unencumbered Cash - Beginning	(81,876)	**-**
Unencumbered Cash - Ending	$ -	**(5,667)**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
KDHE Testing Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	**Current Year Actual**
Receipts		
Intergovernmental Revenues		
Federal Aid - ELC	$ 69,330	**666,839**
Expenditures		
Instruction	21,871	**599,981**
Student Support Services	53,752	**69,796**
Total Expenditures	75,623	**669,777**
Receipts Over (Under) Expenditures	(6,293)	**(2,938)**
Unencumbered Cash - Beginning	(15,978)	**(22,271)**
Unencumbered Cash - Ending	$ (22,271)	**(25,209)**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Capital Improvements Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	**Current Year Actual**
Receipts		
Intergovernmental Revenues		
Bond Proceeds	$ -	**10,975,000**
Reoffering Premium	-	**814,661**
Interest Income	-	**47,424**
Total Receipts	-	**11,837,085**
Expenditures		
Cost of Issuance	-	**164,648**
Building Improvements	-	**628,617**
Underwriter's Discount	-	**163,875**
Bond Insurance Premium	-	**28,200**
Total Expenditures	-	**985,340**
Receipts Over (Under) Expenditures	-	**10,851,745**
Unencumbered Cash - Beginning	-	**-**
Unencumbered Cash - Ending	$ -	**10,851,745**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Cash Balance	Prior Period Adjustment	Receipts	Disbursements	**Ending Cash Balance**
High and Middle Schools					
Art Club	$ 823	-	470	59	**1,234**
Band	10,077	-	5,949	11,366	**4,660**
Cheerleaders	1,121	-	17,188	15,912	**2,397**
Class of 2023	265	-	-	265	**-**
Class of 2024	5,358	-	625	5,353	**630**
Class of 2025	3,289	-	7,091	9,464	**916**
Class of 2026	2,398	-	504	98	**2,804**
Class of 2027	400	-	3,171	1,798	**1,773**
Class of 2028	376	-	172	-	**548**
Class of 2029	-	-	147	-	**147**
FFA	1,991	-	26,876	23,315	**5,552**
Industrial Arts Club	921	-	400	200	**1,121**
National Honor Society	786	-	-	11	**775**
SADD	2,200	-	192	410	**1,982**
Speech/Drama	864	-	767	850	**781**
STUCO	924	-	2,025	2,310	**639**
Yearbook/Media	12,160	-	3,242	4,783	**10,619**
Leopard Prints	2,046	-	4,230	1,525	**4,751**
Cheer (MS)	2,175	-	2,923	1,272	**3,826**
STUCO (MS)	122	-	1,458	842	**738**
BB Boys (MS)	-	270	684	800	**154**
Football (MS)	-	476	-	-	**476**
Girls BB (MS)	-	340	104	208	**236**
Boys BB (HS)	-	660	1,050	1,011	**699**
Girls BB (HS)	-	2,348	510	304	**2,554**
VB Girls	-	3,745	236	2,624	**1,357**
Cross Country	-	2,134	-	273	**1,861**
Track	-	4,939	1,288	1,825	**4,402**
Football	-	3,189	14,412	11,462	**6,139**
Total High and Middle Schools	48,296	18,101	95,714	98,340	**63,771**
Grade School					
Teacher Fund	607	-	491	1,016	**82**
STUCO	778	-	240	434	**584**
Total Grade School	1,385	-	731	1,450	**666**
Total	$ 49,681	18,101	96,445	99,790	**64,437**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balanc**
Gate Receipts								
High and Middle Schools								
Athletics	$ 4,102	-	-	21,531	21,733	**3,900**	-	**3,900**
School Projects								
High and Middle Schools								
Book Fair	1,240	-	-	628	157	**1,711**	-	**1,711**
Prom Party	50	-	-	-	50	**-**	-	**-**
Camp Crouch	167	-	-	-	-	**167**	-	**167**
Camp Simas	2	-	-	-	-	**2**	-	**2**
Camp Dierksen	93	-	-	-	-	**93**	-	**93**
Camp Hedding	17	-	-	-	-	**17**	-	**17**
Camp Herrman	276	-	-	-	197	**79**	-	**79**
Camp Holopirek	16	-	-	-	-	**16**	-	**16**
Camp Maier	150	-	-	-	-	**150**	-	**150**
Camp Dreher	30	-	-	-	-	**30**	-	**30**
Camp Parton	372	-	-	-	66	**306**	-	**306**
Camp Renfrow	408	-	-	-	-	**408**	-	**408**
Camp M. Crouch	380	-	-	65	200	**245**	-	**245**
Camp Sennett	4	-	-	-	-	**4**	-	**4**
Camp Garcia	144	-	-	-	-	**144**	-	**144**
Concessions	2,352	-	-	31,751	29,856	**4,247**	-	**4,247**
Engineering and Design	987	-	-	-	-	**987**	-	**987**
Golden Belt Grant	87	-	-	-	-	**87**	-	**87**
Healthy Habit Grant	1,351	-	-	-	530	**821**	-	**821**
KS Hlth Fdn. - Stu. N	673	-	-	329	422	**580**	-	**580**
Dr. Wilson Scholarship	425	-	-	-	425	**-**	-	**-**
Scott Family-STEM	5,002	-	-	-	-	**5,002**	-	**5,002**
BB Boys (MS)	270	(270)	-	-	-	**-**	-	**-**
Football (MS)	476	(476)	-	-	-	**-**	-	**-**
Girls BB (MS)	340	(340)	-	-	-	**-**	-	**-**
Boys BB (HS)	660	(660)	-	-	-	**-**	-	**-**
Girls BB (HS)	2,348	(2,348)	-	-	-	**-**	-	**-**
VB Girls	3,745	(3,745)	-	-	-	**-**	-	**-**
Cross Country	2,134	(2,134)	-	-	-	**-**	-	**-**
Track	4,939	(4,939)	-	-	-	**-**	-	**-**
Football	3,189	(3,189)	-	-	-	**-**	-	**-**
Total High and Middle Schools	32,327	(18,101)	-	32,773	31,903	**15,096**	-	**15,096**
Grade School								
Book Fair/ Accelerated Reader	2,541	-	-	39	443	**2,137**	-	**2,137**
Student Needs	1,631	-	-	36	633	**1,034**	-	**1,034**
Concessions	1,448	-	-	377	455	**1,370**	-	**1,370**
Total Grade School	5,620	-	-	452	1,531	**4,541**	-	**4,541**
Total School Projects	37,947	(18,101)	-	33,225	33,434	**19,637**	-	**19,637**
Total District Activity Funds	$ 42,049	(18,101)	-	54,756	55,167	**23,537**	-	**23,537**

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Single Audit Information

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*

To the Board of Education
Unified School District No. 395 LaCrosse, Kansas
LaCrosse, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 395 LaCrosse, Kansas**, as of and for the year ended June 30, 2024, and the related notes to the financial statement, and have issued our report thereon dated October 14, 2024. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, 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 **Unified School District No. 395 LaCrosse, 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 **Unified School District No. 395 LaCrosse, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 395 LaCrosse, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 395 LaCrosse, 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*.

Unified School District No. 395 LaCrosse, Kansas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on **Unified School District No. 395 LaCrosse, Kansas'** response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. **Unified School District No. 395 LaCrosse, Kansas'** response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

Purpose of This Report

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



ADAMSBROWN, LLC
Certified Public Accountants
Hays, Kansas

October 14, 2024

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

To the Board of Education
Unified School District No. 395 LaCrosse, Kansas
LaCrosse, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 395 LaCrosse, Kansas'** compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 395 LaCrosse, Kansas'** major federal programs for the year ended June 30, 2024. **Unified School District No. 395 LaCrosse, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Unified School District No. 395 LaCrosse, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Unified School District No. 395 LaCrosse, Kansas** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Unified School District No. 395 LaCrosse, Kansas'** 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 **Unified School District No. 395 LaCrosse, Kansas'** federal programs.

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 **Unified School District No. 395 LaCrosse, 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 generally accepted auditing standards, *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 **Unified School District No. 395 LaCrosse, Kansas'** compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Unified School District No. 395 LaCrosse, 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 **Unified School District No. 395 LaCrosse, 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 **Unified School District No. 395 LaCrosse, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on **Unified School District No. 395 LaCrosse, Kansas'** response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **Unified School District No. 395 LaCrosse, Kansas'** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on **Unified School District No. 395 LaCrosse, Kansas'** response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **Unified School District No. 395 LaCrosse, Kansas'** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Adamsbrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Hays, Kansas

October 14, 2024

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education			
Direct Award			
Rural Education	84.358	S358A221205	$ **35,348**
Passed Through Kansas State Department of Education			
Student Support and Academic Enrichment Program	84.424	D0395	**13,161**
Supporting Effective Instruction State Grants	84.367	D0395	**14,054**
Title I Grants to Local Educational Agencies	84.010	D0395	**73,439**
COVID-19 Funding		D0395	
Education Stabilization Fund			
American Rescue Plan - Elementary and Secondary School Emergency Relief	84.425U	D0395	**219,921**
Total U.S. Department of Education			**355,923**
U.S. Department of Health and Human Services			
Passed Through Kansas State Department of Education			
COVID-19 Funding			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	D0395	**669,777**
U.S. Department of Agriculture			
Passed Through Kansas State Department of Education			
Child Nutrition Cluster			
Summer Food Service Program for Children	10.559	D0395	**9,569**
National School Lunch Program	10.555	D0395	**86,350**
School Breakfast Program	10.553	D0395	**10,091**
Total Child Nutrition Cluster			**106,010**
COVID-19 Funding			
Child Nutrition Discretionary Grants Limited Availability	10.579	D0395	**17,599**
Total U.S. Department of Agriculture			**123,609**
Total U.S. Expenditures of Federal Awards			$ **1,149,309**

Note - There were no awards made to subrecipients for the 2023-2024 Fiscal Year.

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
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 **Unified School District No. 395 LaCrosse, Kansas** under programs of the federal government for the year ended June 30, 2024. 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), *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in accordance with the regulatory basis of accounting. This is 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. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – 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.

NOTE 4 – OTHER EXPENDITURES

The District received federal awards in the form of noncash assistance valued at $1,779 from Kansas Department for Health and Environment for the year ended June 30, 2024.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statement was prepared in accordance with a special purpose framework that is not in compliance with GAAP:			Unmodified	
Internal control over financial reporting:				
• Material weakness identified?	X	Yes		No
• Significant deficiency identified?		Yes	X	None reported
• Noncompliance material to financial statements noted?		Yes	X	No

FEDERAL AWARDS

Internal control over major programs:				
• Material weakness identified?		Yes	X	No
• Significant deficiency identified?	X	Yes		None reported
Type of auditors' report issued on compliance for major programs:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?	X	Yes		No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

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

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weakness

2024-001

Criteria or specific requirement
Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition
Proper segregation of duties does not exist in the accounting system.

Context
We determined, through walkthroughs and documentation of the District's internal controls, that there is a failure to properly segregate duties for the financial reporting process.

Cause
The District is unable to hire additional personnel due to its size.

Effect
Management may not become aware of problems or irregularities in a timely manner.

Recommendation
Procedures should be established and implemented to segregate duties in the receipts and expenditures cycles and strengthen internal controls. Also, involvement of the Board can mitigate the risk of errors or fraud. The Board should remain involved in the financial affairs of the District to provide oversight and independent review functions.

Views of responsible officials
See corrective action plan.

2024-002

Criteria or specific requirement
Internal controls should be in place to ensure that all encumbrances are properly recorded to represent claims against cash.

Condition
Inappropriate application of regulatory basis accounting principles.

Context
We determined that a material encumbrance approved by the Board was not properly recorded at year end.

Cause
The District did not identify material invoices to encumber for the year that were found during audit procedures.

Effect
The encumbrances and accounts payable account balance was materially understated.

Recommendation
We recommend that the District implement procedures to track encumbrances approved by the Board so that they are recorded on the day they are approved.

Views of responsible officials
See Corrective Action Plan.

2024-003

Criteria or specific requirement
All transactions should follow the District's internal control processes.

Condition
Proper transaction processing did not exist in the accounting system for the new bank accounts added during the year.

Context
We determined, through confirmations and review of the bond issuance, that there is a failure to properly account for transactions within the District's accounting software and follow the District's internal control procedures.

Cause
The District did not add the new bank accounts to the accounting software.

Effect
A proper audit trail was not achieved including recording the revenues and expenses within the fund accounting system, review and approval of the transactions, or bank reconciliation completion and approval.

Recommendation
All of the District's cash accounts should be recorded within the District's accounting system to ensure accurate financial reporting is achieved and available upon request. This also ensures that the District's processes and controls over the bank account are intact, including payment processing and bank reconciliation controls.

Views of responsible officials
See corrective action plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Significant Deficiency

2024-004

Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – 93.323

Activities Allowed or Unallowed and Allowable Costs and Cost Principles

Criteria or specific requirement
In accordance with 2 CFR 200.430, payroll charges should be supported by proper documentation that reflects the distribution of the employee's salary or wages among specific activities or cost objectives if the

employee works on a Federal award and non-Federal award. In addition, in order to ensure that employees are paid the correct amount and that no conflict of interest may occur, internal controls should be put in place to ensure that all wage rates paid have been approved by the Board.

Condition
Three employees were paid an additional amount using program funding in order to reflect the administrative burden associated with running the program for three years. For two of the employees, no personnel activity reports or other time records could be provided to support those costs. For the third employee, a monthly log of hours worked on grant activities was provided. However, it only showed the total hours for that month and did not break them out by date of occurrence. Additionally, no supervisor review or other control over that log occurred. Lastly, the employees' contracts were not amended and approved by the Board to reflect these additional amounts.

Context
We determined, through testing of program expenditures, that $16,162 was paid in gross wages and taxes for the three employees.

Cause
District employees do not have a significant amount of experience with large federal programs, and they were not aware of the compliance requirements.

Effect
Proper records were not maintained to support program expenditures.

Recommendation
Employees with grant administration responsibilities should undergo training to better their understanding of the compliance requirements that accompany Federal programs. Additionally, controls should be implemented to ensure that all required records are prepared, as well as to ensure that the Board approves all wage rates.

Views of responsible officials
See corrective action plan.

La Crosse USD No. 395

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Bill Keeley, Superintendent, Principal La Crosse Elementary
Jessica Dellett, Board Clerk
Helen Showalter, Deputy Clerk
Cindi Wilson, Treasurer
Jon Webster, Principal La Crosse Middle/High School

John Irvin, President
Aaron McGaughey, Vice President
Curtis Randa, Member
Glenn Herrman, Member
Harland Werth, Member
Sandy Showalter, Member
Brian Baalmann, Member

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weakness

2023-001

Condition
Proper segregation of duties does not exist in the accounting system.

Corrective Actions
The District implements segregation of duties wherever possible, given its size.

Current Status
This is an ongoing issue and listed as financial statement finding 2024-001 in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs for the year ended June 30, 2023 are required to be disclosed under the Uniform Guidance.