Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Financial Statement
As of June 30, 2024
and For the Year Then Ended

With Report by Independent Auditor

SHIPLEY
CPA, LLC
Audit, Assurance, & Consulting Services

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SHIPLEY CPA, LLC
Audit, Assurance, & Consulting Services

Russell Shipley CPA, CFE, CGFM, CGMA
Principal & Managing Director
(785) 760-4898
Russell@ShipleyCPA.com

PO Box 751193
Topeka, KS 66675

ShipleyCPA.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Santa Fe Trail Unified School District No. 434

Adverse and Unmodified Opinions
I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of Santa Fe Trail Unified School District No. 434 (the District), as of and for the year ended June 30, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In my opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of my 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 my 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* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the KMAAG. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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ShipleyCPA.com

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- 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 my 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.

I am 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 I identified during the audit.

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ShipleyCPA.com

Other Matters

Supplementary Information

My 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 schedules listed under regulatory required supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U*.S. Code of Federal Regulation* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the 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 KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated October 25, 2024 on my consideration of the District's internal control over financial reporting and on my 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 my 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.

Shipley CPA, LLC

Shipley CPA, LLC
Topeka, Kansas
October 25, 2024

Santa Fe Trail Unified School District No. 434 **Statement 1**
Scranton, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General	$ 208	$ 9,473,293	$ 9,473,293	$ 208	$ 202,384	$ 202,592
Supplemental General	26,355	3,296,659	3,187,104	135,910	3,903	139,813
Special Purpose Funds:						
Gifts and Grants	298,873	427,436	199,791	526,518	10,694	537,212
At Risk (4 year olds)	52,078	69,287	96,365	25,000	9,323	34,323
At Risk (K-12)	111,882	2,501,050	2,516,451	96,481	89,987	186,468
Bilingual Education	283	-	-	283	-	283
Driver Training	16,731	18,990	17,779	17,942	-	17,942
Food Service	295,138	669,380	756,616	207,902	988	208,890
Professional Development	65,209	81,367	74,799	71,777	-	71,777
Career and Postsecondary Education	69,933	335,167	285,961	119,139	12,413	131,552
Special Education	588,306	2,418,399	2,323,976	682,729	22	682,751
Virtual Education	12,000	19,350	20,417	10,933	-	10,933
Federal Grant Funds	(21,219)	1,384,076	1,393,431	(30,574)	5,401	(25,173)
KPERS Special Retirement Contribution	-	991,144	991,144	-	-	-
Contingency Reserve	375,101	100,000	-	475,101	-	475,101
Textbook Rental	146,351	90,998	74,718	162,631	-	162,631
Capital Outlay	539,179	1,276,836	587,528	1,228,487	309,659	1,538,146
Gate Receipts	7,049	109,151	91,141	25,059	-	25,059
District Activity	46,269	169,288	169,139	46,418	-	46,418
Bond and Interest Fund	837,341	586,948	382,192	1,042,097	-	1,042,097
Total Reporting Entity (Excluding Agency Funds)	$ 3,467,067	$ 24,018,819	$ 22,641,845	$ 4,844,041	$ 644,774	$ 5,488,815

Composition of Cash:	
Checking accounts	$ 3,292,880
Kansas Municipal Investment Pool	2,269,357
Less Agency Funds per Schedule 3	(73,422)
Total Reporting Entity (Excluding Agency Funds)	$ 5,488,815

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

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Notes to the Financial Statement
For the Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

Reporting Entity
Santa Fe Trail Unified School District No. 434 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Fund Accounting
The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds were utilized in recording the financial activities of the District for the year ended June 30, 2024.

Regulatory Basis Fund Types

General fund and Supplemental General fund – used to account for the general operations of the District and are used to account for all resources except those required to be accounted for in other funds.
Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.
Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.
Agency fund – used to account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

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

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

2. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special revenue funds (unless specifically exempted by statute), and bond and 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 the local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of a notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory 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. There were budget amendments in the At Risk (K-12) and Career and Postsecondary Education funds 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 for 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 agency funds, activity funds, and the following special purpose funds: textbook rental, contingency reserve, 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.

3. Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

4. Deposits and Investments

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

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1-2	Rating U.S.
Kansas Municipal Investment Pool	$ 2,269,357	$ 2,269,357	$ -	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.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not have a peak period pledge agreement during the year ended June 30, 2024, and therefore the District did not designate peak periods. All deposits were legally secured at June 30, 2024.

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's carrying amount of deposits was $3,292,880 and the bank balance was $3,795,605. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance, and the remaining was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name.

5. Long-Term Debt

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

	Amount of Issue	Interest Rates	Date of Issue	Date of Final Maturity
General Obligation Bonds				
Series 2013	$ 4,600,000	1.35-2.35%	5/1/2013	9/1/2028
Lease purchase agreements:				
Bus Lease 1	592,866	n/a	7/1/2023	6/30/2026
Bus Lease 2	960,570	n/a	7/1/2023	6/30/2028
Bus Lease 3	177,540	n/a	10/1/2022	6/30/2027
Bus Lease 4	60,445	n/a	3/1/2023	2/29/2028

	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Series 2013	$ 2,205,000	$ -	$ 340,000	$ 1,865,000	$ 42,193
Lease purchase agreements:					
Bus Lease 1	-	592,866	197,622	395,244	-
Bus Lease 2	-	960,570	192,114	768,456	-
Bus Lease 3	142,032	-	35,508	106,524	-
Bus Lease 4	48,356	-	12,089	36,267	-
First Security Bank	95,684	-	95,684	-	362
	286,072	1,553,436	533,017	1,306,491	362
Early retirement benefits	18,750	-	8,400	10,350	-
Total Long Term Debt	$ 2,509,822	$ 1,553,436	$ 881,417	$ 3,181,841	$ 42,555

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

Year	Principal	Interest
2025	$ 793,933	$ 36,065
2026	800,633	32,828
2027	615,161	25,628
2028	577,114	17,753
2029	395,000	9,283
Total	$ 3,181,841	$ 121,557

6. Interfund Transactions

Operating transfers during the fiscal year ended June 30, 2024 were as follows:

From	To	Regulatory Authority	Amount
General Fund	At Risk (4 year olds)	K.S.A. 72-5167	$ 24,230
General Fund	At Risk (K-12)	K.S.A. 72-5167	1,535,661
General Fund	Virtual Education	K.S.A. 72-5167	10,875
General Fund	Career and Postsecondary Education	K.S.A. 72-5167	250,950
General Fund	Special Education	K.S.A. 72-5167	2,048,625
General Fund	Capital Outlay	K.S.A. 72-5167	28,664
General Fund	Contingency Reserve	K.S.A. 72-5167	100,000
General Fund	Food Service	K.S.A. 72-5167	75,000
General Fund	Professional Development	K.S.A. 72-5167	56,226
Supplemental General	At Risk (4 year olds)	K.S.A. 72-5143	25,000
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	965,389
Supplemental General	Professional Development	K.S.A. 72-5143	15,398
Supplemental General	Virtual Education	K.S.A. 72-5143	8,475
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	61,455
Supplemental General	Special Education	K.S.A. 72-5143	346,792
Title II A	Title I	n/a	355
Title V	Title I	n/a	19,266

7. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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.

The District has a plan that provides early retirement benefits to certain eligible employees. To be eligible for early retirement benefits, employees must have been employed by the District for a minimum of fifteen years, must not be age sixty-five or older and must meet one of the following criteria: full retirement qualifications as required by KPERS or acquired eighty-five KPERS retirement points. Benefits for eligible participants include receiving the longevity payments the employee was eligible for during the last year of employment and the opportunity to remain in the District's group health insurance plan at the employee's cost. These benefits will continue until the participant reaches age sixty-five.

8. Compensated Absences

Under the terms of the District's personnel policy, District employees are granted annual personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

9. Defined Benefit Pension Plan

General Information about the 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%, 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.

9. Defined Benefit Pension Plan (continued)

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 $930,576 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 $9,095,420. 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.

10. Stewardship, Compliance, and Accountability

Expenditures in the Professional Development and Cares Act (Federal Grant Funds) Funds exceeded the adopted budget for the year ended June 30, 2024, which is a violation of K.S.A. 79-2935.

The Cares Act (Federal Grant Funds) Fund had a deficit cash balance of $25,173 and a deficit unencumbered cash balance of $30,574 at June 30, 2024, which is a violation of K.S.A. 10-1113.

11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

12. Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, the date the financial statement was available for issue.

Regulatory-Required Supplementary Information

Schedule 1

Santa Fe Trail Unified School District No. 434
Scranton, Kansas
Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	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 Funds:						
General	$ 9,790,476	$ (322,690)	$ 5,507	$ 9,473,293	$ 9,473,293	$ -
Supplemental General	3,246,108	(59,004)	-	3,187,104	3,187,104	-
Special Revenue Funds:						
Gifts and Grants	389,233	-	-	389,233	199,791	(189,442)
At Risk (4 year olds)	132,308	-	-	132,308	96,365	(35,943)
At Risk (K-12)	2,560,000	-	-	2,560,000	2,516,451	(43,549)
Bilingual Education	283	-	-	283	-	(283)
Driver Training	33,481	-	-	33,481	17,779	(15,702)
Food Service	944,178	-	-	944,178	756,616	(187,562)
Professional Development	71,037	-	-	71,037	74,799	3,762
Career and Postsecondary Education	309,700	-	-	309,700	285,961	(23,739)
Special Education	2,534,486	-	-	2,534,486	2,323,976	(210,510)
Virtual Education	35,000	-	-	35,000	20,417	(14,583)
Federal Grant Funds	1,267,434	-	-	1,267,434	1,393,431	125,997
KPERS Special Retirement Contribution	1,147,702	-	-	1,147,702	991,144	(156,558)
Capital Outlay	1,522,648	-	-	1,522,648	587,528	(935,120)
Bond and Interest Fund	382,192	-	-	382,192	382,192	-

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
State equalization aid	$ 8,164,256	$ 8,323,464	$ (159,208)
State special education fund	1,303,530	1,466,804	(163,274)
Reimbursements	5,507	-	5,507
Total Receipts	9,473,293	$ 9,790,268	$ (316,975)
Expenditures			
Instruction	2,274,703	$ 3,562,359	$ (1,287,656)
Student support services	282,336	414,950	(132,614)
Instructional support staff	214,663	253,300	(38,637)
General administration	287,302	282,500	4,802
School administration	751,780	755,250	(3,470)
Operations and maintenance	619,268	705,250	(85,982)
Transportation services	483,908	622,300	(138,392)
Other supplemental services	429,102	463,750	(34,648)
Transfers out	4,130,231	2,730,817	1,399,414
Adjustment to comply to legal max	-	(322,690)	322,690
	9,473,293	9,467,786	5,507
Adjustment for qualifying budget credit	-	5,507	(5,507)
Total Expenditures	9,473,293	$ 9,473,293	$ -
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	208		
Unencumbered Cash, Ending	$ 208		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Supplemental General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Ad valorem current tax	$ 1,297,380	$ 1,339,799	$ (42,419)
Ad valorem tax in process	-	-	-
Delinquent	29,762	96,283	(66,521)
Motor and recreational vehicle	129,848	115,843	14,005
Recreational vehicle tax	2,304	3,803	(1,499)
Commercial vechicle tax	-	268	(268)
Supplemental state aid	1,837,365	1,871,381	(34,016)
Transfers in	-	500	(500)
Total Receipts	3,296,659	$ 3,427,877	$ (131,218)
Expenditures			
Instruction	454,710	$ 942,321	$ (487,611)
Student support services	-	55,000	(55,000)
Instructional support services	10,082	-	10,082
Operations and maintenance	648,558	862,000	(213,442)
General administration	54,501	60,000	(5,499)
Transportation	570,973	571,500	(527)
Other supplemental services	25,771	26,000	(229)
Transfers out	1,422,509	729,287	693,222
Adjustment to comply to legal max	-	(59,004)	59,004
Total Expenditures	3,187,104	$ 3,187,104	$ -
Receipts Over (Under) Expenditures	109,555		
Unencumbered Cash, Beginning	26,355		
Unencumbered Cash, Ending	$ 135,910		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Gifts and Grants Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Grants and contributions	$ 196,583	$ 75,000	$ 121,583
Federal aid	50,722	-	50,722
State aid	140,131	15,371	124,760
Miscellaneous	40,000	-	40,000
Total Receipts	427,436	$ 90,371	$ 337,065
Expenditures			
Instruction	172,621	$ 134,233	$ 38,388
Operations and maintenance	-	200,000	(200,000)
Instructional support staff	27,170	55,000	(27,830)
Total Expenditures	199,791	$ 389,233	$ (189,442)
Receipts Over (Under) Expenditures	227,645		
Unencumbered Cash, Beginning	298,873		
Unencumbered Cash, Ending	$ 526,518		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
At Risk (4 year olds) Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Federal aid	$ -	$ -	$ -
Transfers in	49,230	-	49,230
Miscellaneous	20,057	80,230	(60,173)
Total Receipts	69,287	$ 80,230	$ (10,943)
Expenditures			
Instruction	89,496	128,658	$ (39,162)
Student transportation services	6,869	3,650	3,219
Total Expenditures	96,365	$ 132,308	$ (35,943)
Receipts Over (Under) Expenditures	(27,078)		
Unencumbered Cash, Beginning	52,078		
Unencumbered Cash, Ending	$ 25,000		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
At Risk (K-12) Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Transfers in	$ 2,501,050	1,364,234	$ 1,136,816
Total Receipts	2,501,050	$ 1,364,234	$ 1,136,816
Expenditures			
Instruction	2,516,451	$ 2,560,000	$ (43,549)
Student transportation services	-	-	-
Total Expenditures	2,516,451	$ 2,560,000	$ (43,549)
Receipts Over (Under) Expenditures	(15,401)		
Unencumbered Cash, Beginning	111,882		
Unencumbered Cash, Ending	$ 96,481		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Bilingual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Miscellaneous	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Instruction	-	$ 283	$ (283)
Total Expenditures	-	$ 283	$ (283)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	283		
Unencumbered Cash, Ending	$ 283		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Driver Training Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
State aid	$ 6,090	$ 6,750	$ (660)
Reimbursements	12,900	10,000	2,900
Transfers in	-	-	-
Total Receipts	18,990	$ 16,750	$ 2,240
Expenditures			
Instruction	12,055	$ 11,800	$ 255
Operations and maintenance	5,724	-	5,724
Transportation services	-	21,681	(21,681)
Total Expenditures	17,779	$ 33,481	$ (15,702)
Receipts Over (Under) Expenditures	1,211		
Unencumbered Cash, Beginning	16,731		
Unencumbered Cash, Ending	$ 17,942		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Food Service Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Federal aid	$ 380,330	$ 383,660	$ (3,330)
State aid	6,948	4,280	2,668
Lunch receipts	207,102	241,100	(33,998)
Transfers in	75,000	295,138	(220,138)
Miscellaneous	-	-	-
Total Receipts	669,380	$ 924,178	$ (254,798)
Expenditures			
Food service	756,616	$ 879,175	$ (122,559)
Operations and maintenance	-	65,003	(65,003)
Total Expenditures	756,616	$ 944,178	$ (187,562)
Receipts Over (Under) Expenditures	(87,236)		
Unencumbered Cash, Beginning	295,138		
Unencumbered Cash, Ending	$ 207,902		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Professional Development Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
State aid	$ 9,743	$ 5,100	$ 4,643
Transfers in	71,624	-	71,624
Total Receipts	81,367	$ 5,100	$ 76,267
Expenditures			
Instructional support staff	17,935	$ 67,687	$ (49,752)
Other support services	56,864	3,350	53,514
Total Expenditures	74,799	$ 71,037	$ 3,762
Receipts Over (Under) Expenditures	6,568		
Unencumbered Cash, Beginning	65,209		
Unencumbered Cash, Ending	$ 71,777		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Transfers in	$ 312,405	$ 59,274	$ 253,131
State aid	21,490	21,600	(110)
Miscellaneous	1,272	4,000	(2,728)
Total Receipts	335,167	$ 84,874	$ 250,293
Expenditures			
Instruction	285,598	$ 309,700	$ (24,102)
Student support services	363	-	363
Student Transportation	-	-	-
Total Expenditures	285,961	$ 309,700	$ (23,739)
Receipts Over (Under) Expenditures	49,206		
Unencumbered Cash, Beginning	69,933		
Unencumbered Cash, Ending	$ 119,139		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Special Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Federal aid	$ -	$ -	$ -
Medicaid	1,392	-	1,392
Reimbursements	21,590	-	21,590
Transfers in	2,395,417	2,013,596	381,821
Total Receipts	2,418,399	$ 2,013,596	$ 404,803
Expenditures			
Instruction	2,130,433	$ 2,317,886	$ (187,453)
Operations and maintenance	7,305	10,000	(2,695)
Student transportation services	186,238	206,600	(20,362)
Total Expenditures	2,323,976	$ 2,534,486	$ (210,510)
Receipts Over (Under) Expenditures	94,423		
Unencumbered Cash, Beginning	588,306		
Unencumbered Cash, Ending	$ 682,729		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Virtual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Transfers in	$ 19,350	$ 23,000	$ (3,650)
Total Receipts	19,350	$ 23,000	$ (3,650)
Expenditures			
Instruction	20,417	$ 35,000	$ (14,583)
Total Expenditures	20,417	$ 35,000	$ (14,583)
Receipts Over (Under) Expenditures	(1,067)		
Unencumbered Cash, Beginning	12,000		
Unencumbered Cash, Ending	$ 10,933		

Schedule 2

Santa Fe Trail Unified School District No. 434
Scranton, Kansas
Federal Grant Funds
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Title I Actual	Title II A Actual	Title V Actual	CARES-ESSER III Actual	Federal Funds Actual	Federal Funds Budget	Variance-Over (Under)
Receipts							
Federal aid	$ 173,609	$ 23,178	$ 19,266	$ 1,148,402	$ 1,364,455	$ 1,267,434	$ 97,021
Reimbursements	-	-	-	-	-	-	-
Transfers in	19,621	-	-	-	19,621	-	19,621
Total Receipts	193,230	23,178	19,266	1,148,402	1,384,076	$ 1,267,434	$ 116,642
Expenditures							
Instruction	193,230	-	-	233,495	426,725	$ 780,227	$ (353,502)
Instructional support staff	-	22,822	-	-	22,822		22,822
Operations and maintenance	-	-	-	5,393	5,393	126,000	(120,607)
Student support services	-	-	-	918,870	918,870	361,207	557,663
Transfers out	-	355	19,266	-	19,621	-	19,621
Total Expenditures	193,230	23,177	19,266	1,157,758	1,393,431	$ 1,267,434	$ 125,997
Receipts Over (Under) Expenditures	-	1	-	(9,356)	(9,355)		
Unencumbered Cash, Beginning	-	1	-	(21,220)	(21,219)		
Unencumbered Cash, Ending	$ -	$ 2	$ -	$ (30,576)	$ (30,574)		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
State aid	$ 991,144	$ 1,147,702	$ (156,558)
Total Receipts	991,144	$ 1,147,702	$ (156,558)
Expenditures			
Instruction	641,767	$ 743,139	$ (101,372)
Student support services	69,377	80,336	(10,959)
Instructional support staff	29,736	34,433	(4,697)
General administration	29,736	34,433	(4,697)
School administration	79,293	91,818	(12,525)
Other support services	29,736	34,433	(4,697)
Operations and maintenance	59,465	68,858	(9,393)
Student transportation	2,477	2,868	(391)
Food servcie operations	49,557	57,384	(7,827)
Total Expenditures	991,144	$ 1,147,702	$ (156,558)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Contingency Reserve Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended June 30, 2024

	Actual
Receipts	
Transfers in	$ 100,000
Total Receipts	100,000
Expenditures	
Transfers out	-
Total Expenditures	-
Receipts Over (Under) Expenditures	100,000
Unencumbered Cash, Beginning	375,101
Unencumbered Cash, Ending	$ 475,101

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Textbook Rental Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended June 30, 2024

	Actual
Receipts	
Fees	$ 90,998
Total Receipts	90,998
Expenditures	
Instruction	74,718
Total Expenditures	74,718
Receipts Over (Under) Expenditures	16,280
Unencumbered Cash, Beginning	146,351
Unencumbered Cash, Ending	$ 162,631

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Capital Outlay Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Ad valorem current tax	$ 549,091	$ 496,278	$ 52,813
Ad valorem tax in process	-	39,131	(39,131)
Delinquent	13,907	8,075	5,832
Motor and recreational vehicle	53,618	55,194	(1,576)
Recreational vehicle tax	1,100	1,812	(712)
Commercial vehicle tax	-	128	(128)
State aid	336,548	336,556	(8)
Interest	64,864	40,000	24,864
Miscellaneous	229,044	12,000	217,044
Transfers in	28,664	-	28,664
Total Receipts	1,276,836	$ 989,174	$ 287,662
Expenditures			
Instruction	-	$ 575,000	$ (575,000)
Instructional support equipment	96,046	265,000	(168,954)
School administration equipment	-	-	-
Operations and maintenance	491,482	682,648	(191,166)
Capital	-	-	-
Total Expenditures	587,528	$ 1,522,648	$ (935,120)
Receipts Over (Under) Expenditures	689,308		
Unencumbered Cash, Beginning	539,179		
Unencumbered Cash, Ending	$ 1,228,487		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

	Actual	Budget	Variance-Over (Under)
Receipts			
Ad valorem current tax	$ 308,187	$ 307,683	$ 504
Ad valorem tax in process	-	-	-
Delinquent	8,114	4,356	3,758
Motor and recreational vehicle	44,515	32,174	12,341
Recreational vehicle tax	638	1,057	(419)
Commercial vehicle tax	-	74	(74)
State aid	225,494	225,493	1
Total Receipts	586,948	$ 570,837	$ 16,111
Expenditures			
Principal	340,000	$ 340,000	$ -
Bond fees	-	-	-
Interest	42,192	42,192	-
Total Expenditures	382,192	$ 382,192	$ -
Receipts Over (Under) Expenditures	204,756		
Unencumbered Cash, Beginning	837,341		
Unencumbered Cash, Ending	$ 1,042,097		

Santa Fe Trail Unified School District No. 434 **Schedule 3**
Scranton, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
High School:				
Art club	$ 705	$ 500	$ 340	$ 865
Band boosters	185	750	90	845
Cheerleaders	5,283	8,536	13,426	393
Class of 2023	(303)	411	-	108
Class of 2024	912	1,867	2,518	261
Class of 2025	(54)	1,794	1,019	721
Class of 2026	228	574	-	802
Class of 2027	-	509	-	509
Debate/forensics	83	462	24	521
Drama	464	1,033	678	819
Dance team	268	3,764	2,413	1,619
FACS/BCBS	739	-	-	739
FBLA	6,123	11,299	11,846	5,576
Green team	1,657	1,626	1,870	1,413
KAY	964	1,305	25	2,244
Kitchen	230	-	-	230
ACCC scholarship	2,570	11,390	5,279	8,681
Ferril scholarship	940	2,000	-	2,940
Miscellaneous	581	282	-	863
National Honor Society	2,528	2,948	2,500	2,976
Sales tax	104	6,500	5,582	1,022
Scholar's bowl	3	-	-	3
Raby scholarship	2,480	1,000	1,000	2,480
Pegram scholarship	-	-	-	-
Stuco	3,264	4,203	3,241	4,226
Concessions	2,980	17,272	15,570	4,682
Students in need	1,886	-	188	1,698
Therapy dog	-	7,460	5,274	2,186
Trap team	2,682	8,248	10,930	-
Thunderstruck spirit club	3,821	4,254	7,301	774
Overbrook CFF	-	500	-	500
Choir	759	316	395	680
Total High School	42,082	100,803	91,509	51,376

Santa Fe Trail Unified School District No. 434 **Schedule 3**
Scranton, Kansas
Agency Funds (continued)
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Overbrook Attendance Center:				
Sales tax	$ 16	$ 41	$ 51	$ 6
Student light house	879	704	706	877
Gift fund	1,918	360	207	2,071
Total Overbrook Attendence Center	2,813	1,105	964	2,954
Carbondale Attendance Center:				
Cheerleaders	3,084	8,048	9,961	1,171
Weights	272	-	-	272
FBLA-jr.	724	2,591	2,825	490
Art	362	160	-	522
Yearbook	650	826	-	1,476
K.C.'s fitness	699	-	699	-
Band	679	-	116	563
Choir	13	691	704	-
PE	5	-	-	5
Pop fund	849	547	173	1,223
Social fund	116	284	397	3
Activity fees	-	200	200	-
Principal's fund	(3,313)	5,346	1,274	759
Sales tax	39	-	-	39
Scholarships	300			300
KAY	548	2,829	2,841	536
Library	91	10	-	101
Stuco projects	2,926	-	1,296	1,630
Concessions	6,291	7,296	6,898	6,689
Technology	-	1,455	1,455	-
Grade 8th graduation	(570)	750	180	-
Class of 2028	-	1,030	142	888
Class of 2027	37	641	520	158
Class of 2026	-	641	594	47
Class of 2025	952	1,446	1,819	579
Class of 2024	(335)	4,849	2,873	1,641
Class of 2023	436	326	762	-
Total Carbondale Attendence Center	14,855	39,966	35,729	19,092
Total Agency Funds	$ 59,750	$ 141,874	$ 128,202	$ 73,422

Santa Fe Trail Unified School District No. 434 **Schedule 4**
Scranton, Kansas
Gate Receipts
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate receipts:						
Carbondale Attendance Center	$ (2,845)	$ 19,447	$ 9,838	$ 6,764	$ -	$ 6,764
High School	9,894	89,704	81,303	18,295	-	18,295
Total gate receipts	$ 7,049	$ 109,151	$ 91,141	$ 25,059	$ -	$ 25,059

Santa Fe Trail Unified School District No. 434 **Schedule 5**
Scranton, Kansas
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
School projects:						
Carbondale Attendance Center:						
Book fairs	$ 2,489	$ -	$ 2,489	$ -	$ -	$ -
Enrollment fees/textbooks	-	8,195	8,145	50	-	50
Memorials	135	-	-	135	-	135
Lunch account	566	37,916	37,952	530	-	530
Pencils	-	-	-	-	-	-
Fundraisers	6,238	9,218	9,749	5,707	-	5,707
P.E. funds	(210)	210	-	-	-	-
School pictures	11	-	11	-	-	-
Quiz bowl	167	-	77	90	-	90
Yearbook	1,542	-	1,542	-	-	-
Total Carbondale Attendance Center	10,938	55,539	59,965	6,512	-	6,512
Overbrook Attendance Center:						
Book fairs	487	3,045	3,041	491	-	491
Enrollment fees/textbooks	-	3,406	3,406	-	-	-
Chromebook fee	-	2,050	2,050	-	-	-
Summer enrichment program	-	-	-	-	-	-
Library	478	-	-	478	-	478
Lunch account	3	25,725	25,528	200	-	200
Miscellaneous	1	-	-	1	-	1
Rock your school	5,701	8,988	7,245	7,444	-	7,444
Field trips	5,852	4,471	4,025	6,298	-	6,298
Specials	-	-	-	-	-	-
Social fund	304	610	829	85	-	85
Building fund	613	2,000	937	1,676	-	1,676
School fund	7,032	2,396	3,094	6,334	-	6,334
Yearbook	3,030	578	2,992	616	-	616
Total Overbrook Attendance Center	23,501	53,269	53,147	23,623	-	23,623
High School:						
Charger shop	3,442	4,044	3,688	3,798	-	3,798
Chromebook fee	-	5,101	5,101	-	-	-
Enrollment fees/textbooks	-	4,935	4,935	-	-	-
District passes	-	1,000	1,000	-	-	-
Library	691	90	-	781	-	781
Lunch account	-	30,695	30,695	-	-	-
Renaissance	1,029	-	-	1,029	-	1,029
Science department	369	-	-	369	-	369
Special services fund	(1,030)	2,030	2,500	(1,500)	-	(1,500)
Charger Day donation	80	-	-	80	-	80
Industrial technology	2,924	1,700	1,842	2,782	-	2,782
Summer school	-	-	-	-	-	-
Yearbook	4,325	10,885	6,266	8,944	-	8,944
Total High School	11,830	60,480	56,027	16,283	-	16,283
Total School Project Funds	$ 46,269	$ 169,288	$ 169,139	$ 46,418	$ -	$ 46,418

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assisted Listing Number	Expenditures
Department of Housing and Development		
Passed through Kansas State Department of Education		
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	$ 409,829
Community Development Block Grants/Special PurposeGrants/Insular Areas	93.558	40,115
Total Department of Housing and Development		449,944
United States Department of Agriculture		
Passed through Kansas State Department of Education		
School Food Service	10.560	480
Child Nutrition Cluster		
School Breakfast Program	10.553	77,877
National School Lunch Program (NSLP)	10.555	243,618
Special Mile Program for Children	10.556	2,727
Summer Food Service Program for Children (SFSPC)	10.559	57,503
Total Child Nutrition Cluster		381,725
Total United States Department of Agriculture		382,205
United States Department of Education		
Passed through Kansas State Department of Education		
Supporting Effective Instruction State Grants	84.048	10,607
Student Support and Academic Enrichment	84.424A	57,883
COVID-19 Education Stabilization Fund	84.425U	699,956
Title I, Grants to Local Education Agencies	84.010A	173,609
Title II, Improving Teacher Quality	84.367A	23,178
Total United States Department of Education		965,233
Total		$ 1,797,382

See accompanying notes to the schedule of expenditures of federal awards.

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Santa Fe Trail Unified School District No. 434 (the District) under programs of the federal government for the year ended June 30, 2024. The information in the 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). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statement. 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.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting, as described in Note 1 to the District's financial statement.

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statement

Type of report issued on whether the financial statement audited was prepared in accordance with GAAP:	Adverse
Type of auditor's report issued on the basis of accounting used by the District:	Unmodified – Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statement noted:	None

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Any audit findings that are required to be reported in accordance with Section 2 CFR 200.516(a):	None

Identification of major programs:

Assistance Listing Number	Name of Federal Program
10.553, 10.555, 10.556 and 10.559	Child Nutrition Cluster
84.425	COVID-19 Education Stabilization Fund

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

Section II - Financial Statement Findings

No matters reported

Section III – Federal Award Findings and Questioned Costs

No matters reported

SHIPLEY CPA, LLC
Audit, Assurance, & Consulting Services

Russell Shipley CPA, CFE, CGFM, CGMA
Principal & Managing Director
(785) 760-4898
Russell@ShipleyCPA.com

PO Box 751193
Topeka, KS 66675

ShipleyCPA.com

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

To the Board of Education
Santa Fe Trail Unified School District No. 434

I have audited, in accordance with the 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 the Santa Fe Trail Unified School District No. 434 (the District) which comprises the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash for the year ended June 30, 2024, and the related notes to the financial statement and have issued my report thereon dated October 25, 2024. My report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on Internal Control Over Financial Reporting
In planning and performing my audit of the financial statement, I considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.

Shipley CPA, LLC

Shipley CPA, LLC
October 25, 2024
Topeka, Kansas

SHIPLEY CPA, LLC
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Topeka, KS 66675

ShipleyCPA.com

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

To the Board of Education
Santa Fe Trail Unified School District No. 434

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Santa Fe Trail Unified School District No. 434 (the District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the District 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

I conducted my 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on my 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 the District's 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, I:

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

I am 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 I identified during the audit.

Report on Internal Control over Compliance

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

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ShipleyCPA.com

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

My 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 my 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.

Shipley CPA, LLC

Shipley CPA, LLC
October 25, 2024
Topeka, Kansas