SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
PRATT, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2024

BFR

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INDEPENDENT AUDITORS' REPORT

Board of Education
Skyline Schools Unified School District No. 438
Pratt, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Skyline Schools Unified School District No. 438, Pratt, Kansas**, as of and for the year ended **June 30, 2024,** and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Skyline Schools Unified School District No. 438, Pratt Kansas,** or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Skyline Schools Unified School District No. 438, Pratt, Kansas,** as of **June 30, 2024**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide.* Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Skyline Schools Unified School District No. 438, Pratt, Kansas,** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

BFR CPA, LLC
10000 W. 37th St. N.
Wichita, Kansas 67205-7700

(316) 945-1500
Fax (316) 945-1505
bfr@bfrcpa.com

Board of Education
Skyline Schools Unified School District No. 438

Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United State of America
As discussed in Note 1 of the financial statement, the financial statement is prepared by **Skyline Schools Unified School District No. 438, Pratt, Kansas,** on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of 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 **Skyline Schools Unified School District No. 438, Pratt, Kansas'** ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **Skyline Schools Unified School District No. 438, Pratt, Kansas'** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **Skyline Schools Unified School District No. 438, Pratt, Kansas'** ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the 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 **Skyline Schools Unified School District No. 438, Pratt, Kansas**, as of and for the year ended June 30, 2023, and have issued our report thereon dated August 29, 2023, which contained an unmodified opinion on the basic financial statement.

The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/oar/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2023 (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2024, on our consideration of **Skyline Schools Unified School District No. 438, Pratt, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **Skyline Schools Unified School District No. 438, Pratt, Kansas'** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Skyline Schools Unified School District No. 438, Pratt, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC
BFR CPA, LLC
September 17, 2024

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 0	$ 0	$ 3,926,662	$ 3,926,662	$ 0	$ 0	$ 0
Special Purpose Funds							
Supplemental General	50,562	0	1,255,711	1,213,365	92,908	0	92,908
Preschool-Aged At-Risk	0	0	44,329	44,329	0	0	0
At Risk (K-12)	205,468	0	552,672	482,576	275,564	0	275,564
Bilingual Education	1,323	0	4,758	6,081	0	0	0
Capital Outlay	648,695	0	1,512,306	178,919	1,982,082	0	1,982,082
Driver Training	12,751	0	5,083	2,022	15,812	0	15,812
Food Service	67,191	0	234,327	236,518	65,000	0	65,000
Professional Development	32,877	0	25,739	28,616	30,000	0	30,000
Parent Education	0	0	5,630	3,000	2,630	0	2,630
Special Education	323,522	0	777,553	776,075	325,000	0	325,000
Career and Postsecondary Education	50,000	0	113,983	113,983	50,000	0	50,000
KPERS Contribution	0	0	350,446	350,446	0	0	0
Federal Funds	(54,005)	0	320,942	261,571	5,366	0	5,366
Gifts and Grants	1,397	0	83,331	83,331	1,397	0	1,397
Contingency Reserve	600,000	0	100,000	0	700,000	0	700,000
Textbook & Student Material Revolving	132,832	0	82,568	80,400	135,000	0	135,000
District Activity Funds	53,723	0	270,046	270,833	52,936	0	52,936
	$ 2,126,336	$ 0	$ 9,666,086	$ 8,058,727	$ 3,733,695	$ 0	$ 3,733,695

Composition of Cash:	
Checking and Money Market Accounts	$ 3,253,620
Certificates of Deposit	37,794
Investments	500,000
	3,791,414
Agency Funds	(57,719)
	$ 3,733,695

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

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Skyline Schools Unified School District No. 438 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Pratt, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

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

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

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

Budget and Tax Cycle

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year ending June 30, 2024.

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

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

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

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook & Student Material Revolving Fund
District Activity Funds	

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

Note 2 - Defined Benefit Pension Plan:

Plan description
The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information.

KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

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

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

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

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $350,446 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 $3,331,463. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 3 - Deposits & Investments:

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

Investment Type	Fair Value	Rating U.S.
Kansas Municipal Investment Pool	$ 500,000	S&P AAAF/SLT

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.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2024, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the

Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $3,291,414 and the bank balance was $3,412,165. The bank balance is held by one bank resulting in a concentration of credit risk. Of the bank balance, $251,543 was covered by federal depository insurance and the remaining $3,160,622 was collateralized with securities held by the pledging financial institution's agent in the District's name.

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

At June 30, 2024, the District invested $500,000 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 4 - Interfund Transactions:

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

	Transfer To:											
Transfer from:	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Capital Outlay	Food Service	Professional Development	Parent Education Program	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material Revolving	Total
General Fund	$ 44,329	$ 433,520	$ 0	$ 211,024	$ 38,717	$ 24,185	$ 5,630	$ 655,539	$ 113,983	$ 100,000	$ 51,661	$ 1,678,588
Supplemental General Fund	0	119,152	4,758	0	0	0	0	122,014	0	0	0	245,924
	$ 44,329	$ 552,672	$ 4,758	$ 211,024	$ 38,717	$ 24,185	$ 5,630	$ 777,553	$ 113,983	$ 100,000	$ 51,661	$ 1,924,512

Note 5 - Compensated Absences:

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

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

Note 6 - Reimbursed Expenditures:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For

purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Note 7 - Post Employment Benefits:

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Note 8 - Other Post Employment Benefits:

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

Note 9 - Contingencies:

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

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

Note 10 - Litigation:

The District is a party to various claims, none of which is expected to have a material financial impact on the financial statement.

Note 11 - Subsequent Events:

The District has evaluated subsequent events through September 17, 2024, the date which the financial statement was available to be issued.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	$ 4,121,789	$ (328,176)	$ 133,049	$ 3,926,662	$ 3,926,662	$ 0
Special Purpose Funds						
Supplemental General	1,317,936	(104,571)	0	1,213,365	1,213,365	0
Preschool-Aged At-Risk	76,320	0	0	76,320	44,329	(31,991)
At Risk (K-12)	890,597	0	0	890,597	482,576	(408,021)
Bilingual Education	15,263	0	0	15,263	6,081	(9,182)
Capital Outlay	2,605,052	0	0	2,605,052	178,919	(2,426,133)
Driver Training	20,126	0	0	20,126	2,022	(18,104)
Food Service	325,780	0	0	325,780	236,518	(89,262)
Professional Development	45,127	0	0	45,127	28,616	(16,511)
Parent Education	3,000	0	0	3,000	3,000	0
Special Education	1,118,290	0	0	1,118,290	776,075	(342,215)
Career and Postsecondary Education	248,246	0	0	248,246	113,983	(134,263)
KPERS Contribution	399,958	0	0	399,958	350,446	(49,512)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	261,571	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	83,331	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	80,400	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	270,833	XXXXXXXXXX
	$ 11,187,484	$ (432,747)	$ 133,049	$ 10,887,786	$ 8,058,727	$ (3,525,194)

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 122,753	$ 133,049	$ 0	$ 133,049
State Sources	3,731,389	3,793,613	4,121,789	(328,176)
	3,854,142	3,926,662	$ 4,121,789	$ (195,127)
Expenditures				
Instruction	940,370	824,021	$ 887,622	$ (63,601)
Student Support Services	39,714	102,501	135,826	(33,325)
Instructional Support Staff	23,367	25,008	26,431	(1,423)
General Administration	175,535	209,380	202,995	6,385
School Administration	284,574	248,205	257,829	(9,624)
Central Services	87,370	91,049	91,795	(746)
Operations & Maintenance	373,875	380,870	466,275	(85,405)
Student Transportation Services	261,727	367,040	432,372	(65,332)
Transfers	1,668,511	1,678,588	1,620,644	57,944
Adjustment to Comply With Legal Max	0	0	(328,176)	328,176
Adjustment for Qualifying Budget Credits	0	0	133,049	(133,049)
	3,855,043	3,926,662	$ 3,926,662	$ 0
Receipts Over (Under) Expenditures	(901)	0		
Unencumbered Cash, Beginning	901	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	787,011	$ 898,119	$ 818,579	$ 79,540
County Sources	35,638	39,448	41,322	(1,874)
State Sources	297,290	318,144	345,563	(27,419)
Transfers	0	0	61,910	(61,910)
	1,119,939	1,255,711	$ 1,267,374	$ (11,663)
Expenditures				
Instruction	834,301	967,441	$ 936,130	$ 31,311
Student Transportation Services	0	0	221,048	(221,048)
Transfers	336,592	245,924	160,758	85,166
Adjustment to Comply With Legal Max	0	0	(104,571)	104,571
	1,170,893	1,213,365	$ 1,213,365	$ 0
Receipts Over (Under) Expenditures	(50,954)	42,346		
Unencumbered Cash, Beginning	101,516	50,562		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 50,562	$ 92,908		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Preschool-Aged At-Risk Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 32,254	$ 44,329	$ 76,320	$ (31,991)
	32,254	44,329	$ 76,320	$ (31,991)
Expenditures				
Instruction	32,254	44,329	$ 71,320	$ (26,991)
Student Transportation Services	0	0	5,000	(5,000)
	32,254	44,329	$ 76,320	$ (31,991)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

At Risk (K-12) Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 584,234	$ 552,672	$ 685,128	$ (132,456)
	584,234	552,672	$ 685,128	$ (132,456)
Expenditures				
Instruction	446,391	433,307	$ 871,337	$ (438,030)
Student Support Services	13,495	49,269	19,260	30,009
	459,886	482,576	$ 890,597	$ (408,021)
Receipts Over (Under) Expenditures	124,348	70,096		
Unencumbered Cash, Beginning	81,120	205,468		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 205,468	$ 275,564		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Bilingual Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 7,815	$ 4,758	$ 13,940	$ (9,182)
	7,815	4,758	$ 13,940	$ (9,182)
Expenditures				
Instruction	6,492	6,081	$ 15,263	$ (9,182)
	6,492	6,081	$ 15,263	$ (9,182)
Receipts Over (Under) Expenditures	1,323	(1,323)		
Unencumbered Cash, Beginning	0	1,323		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,323	$ 0		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Capital Outlay Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 277,645	$ 307,929	$ 318,101	$ (10,172)
County Sources	11,809	10,986	10,053	933
State Sources	27,123	41,534	41,534	0
Federal Sources	197,075	940,833	0	940,833
Transfers	441,572	211,024	0	211,024
	955,224	1,512,306	$ 369,688	$ 1,142,618
Expenditures				
Instruction	9,085	27,732	$ 190,000	$ (162,268)
Central Services	19,877	6,446	130,000	(123,554)
Operations & Maintenance	22,042	31,399	117,000	(85,601)
Transportation	0	46,275	420,000	(373,725)
Facility Acquisition & Construction Services	2,033,008	67,067	1,748,052	(1,680,985)
	2,084,012	178,919	$ 2,605,052	$ (2,426,133)
Receipts Over (Under) Expenditures	(1,128,788)	1,333,387		
Unencumbered Cash, Beginning	1,777,483	648,695		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 648,695	$ 1,982,082		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Driver Training Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 3,901	$ 878	$ 4,000	$ (3,122)
State Sources	3,084	4,205	3,375	830
	6,985	5,083	$ 7,375	$ (2,292)
Expenditures				
Instruction	6,462	1,297	$ 18,926	$ (17,629)
Vehicle Operations, Maintenance Services	542	725	1,200	(475)
	7,004	2,022	$ 20,126	$ (18,104)
Receipts Over (Under) Expenditures	(19)	3,061		
Unencumbered Cash, Beginning	12,770	12,751		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 12,751	$ 15,812		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Food Service Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 65,366	$ 68,079	$ 101,016	$ (32,937)
State Sources	1,704	1,624	1,892	(268)
Federal Sources	144,973	125,907	155,253	(29,346)
Transfers	8,212	38,717	0	38,717
	220,255	234,327	$ 258,161	$ (23,834)
Expenditures				
Operations & Maintenance	3,400	4,400	$ 4,300	$ 100
Food Service Operation	251,611	232,118	321,480	(89,362)
	255,011	236,518	$ 325,780	$ (89,262)
Receipts Over (Under) Expenditures	(34,756)	(2,191)		
Unencumbered Cash, Beginning	101,947	67,191		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 67,191	$ 65,000		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Professional Development Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 2,263	$ 1,554	$ 2,250	$ (696)
Transfers	0	24,185	10,000	14,185
	2,263	25,739	$ 12,250	$ 13,489
Expenditures				
Instructional Support Staff	19,386	28,616	$ 45,127	$ (16,511)
	19,386	28,616	$ 45,127	$ (16,511)
Receipts Over (Under) Expenditures	(17,123)	(2,877)		
Unencumbered Cash, Beginning	50,000	32,877		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 32,877	$ 30,000		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Parent Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 0	$ 5,630	$ 3,000	$ 2,630
	0	5,630	$ 3,000	$ 2,630
Expenditures				
Student Support Services	0	3,000	$ 3,000	$ 0
	0	3,000	$ 3,000	$ 0
Receipts Over (Under) Expenditures	0	2,630		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 2,630		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Special Education Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 772,351	$ 777,553	$ 794,768	$ (17,215)
	772,351	777,553	$ 794,768	$ (17,215)
Expenditures				
Instruction	763,829	775,322	$ 1,118,290	$ (342,968)
Student Transportation Services	0	753	0	753
	763,829	776,075	$ 1,118,290	$ (342,215)
Receipts Over (Under) Expenditures	8,522	1,478		
Unencumbered Cash, Beginning	315,000	323,522		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 323,522	$ 325,000		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 108,665	$ 113,983	$ 198,246	$ (84,263)
	108,665	113,983	$ 198,246	$ (84,263)
Expenditures				
Instruction	108,665	113,983	$ 248,246	$ (134,263)
	108,665	113,983	$ 248,246	$ (134,263)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	50,000	50,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 50,000	$ 50,000		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

KPERS Contribution Fund	Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 363,598	$ 350,446	$ 399,958	$ (49,512)
	363,598	350,446	$ 399,958	$ (49,512)
Expenditures				
Instruction	231,322	225,493	$ 254,454	$ (28,961)
Student Support Services	15,429	17,369	16,972	397
Instructional Support Staff	8,426	7,892	9,269	(1,377)
General Administration	18,588	17,007	20,447	(3,440)
School Administration	31,363	25,801	34,499	(8,698)
Central Services	9,679	8,476	10,647	(2,171)
Operations & Maintenance	19,467	21,087	21,414	(327)
Student Transportation Services	16,328	15,257	17,961	(2,704)
Food Service Operation	12,996	12,064	14,295	(2,231)
	363,598	350,446	$ 399,958	$ (49,512)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Federal Funds

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	$ 272,462	$ 320,942
	272,462	320,942
Expenditures		
Instruction	221,617	189,659
Student Support Services	33,041	4,294
Instructional Support Staff	32,385	45,726
School Administration	0	17,919
Operations and Maintenance	0	3,973
	287,043	261,571
Receipts Over (Under) Expenditures	(14,581)	59,371
Unencumbered Cash, Beginning	(39,424)	(54,005)
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ (54,005)	$ 5,366

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 66	$ 32
State Sources	82,960	83,299
	83,026	83,331
Expenditures		
Student Support Services	76,304	77,888
Operations & Maintenance	6,723	5,443
	83,027	83,331
Receipts Over (Under) Expenditures	(1)	0
Unencumbered Cash, Beginning	1,398	1,397
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 1,397	$ 1,397

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	$ 0	$ 100,000
	0	100,000
Expenditures		
Operations & Maintenance	0	0
	0	0
Receipts Over (Under) Expenditures	0	100,000
Unencumbered Cash, Beginning	600,000	600,000
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 600,000	$ 700,000

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Textbook & Student Material
Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	$ 36,306	$ 30,907
Transfers	50,000	51,661
	86,306	82,568
Expenditures		
Instruction	83,480	80,400
	83,480	80,400
Receipts Over (Under) Expenditures	2,826	2,168
Unencumbered Cash, Beginning	130,006	132,832
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 132,832	$ 135,000

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Scholarships				
Gary Cromer	$ 4,052	$ 630	$ 300	$ 4,382
Bob & Nancy Howell	13,652	1,573	500	14,725
Alice & Norma Kennedy	2,475	457	250	2,682
Mike Lykins	5,581	1,499	1,000	6,080
Cora Bell Novotny	373	28	0	401
Wanda Reed	7,547	840	0	8,387
Mike Venters	1,040	347	250	1,137
	34,720	5,374	2,300	37,794
Student Organizations				
Student Med	4,102	1,100	1,939	3,263
HS Football Meals	3,400	4,010	4,413	2,997
Senior Class	2,430	6	0	2,436
CE Industries	8,093	5,623	5,447	8,269
K Kids	570	0	570	0
Leadership	334	0	85	249
HS Pep Club	1,678	2,224	2,730	1,172
Teachers	0	8,157	7,638	519
HS Band Trip	7,109	8,487	4,874	10,722
HS Cheerleaders	2,219	10,836	12,519	536
MS Activities	5,887	1,656	4,106	3,437
PE Equipment	1,210	3,377	0	4,587
Junior Class	175	6,040	4,974	1,241
Drama	1,230	0	0	1,230
FCA	466	0	14	452
NHS	117	7	124	0
HS Forensics	130	120	250	0
Lego Team	1,375	443	897	921
MS Social	121	279	400	0
Class of 2026	750	0	0	750
Class of 2025	31	0	0	31
Class of 2024	5	235	48	192
Class of 2023	6	0	6	0
After Hours Snacks	1,089	0	409	680
	42,527	52,600	51,443	43,684
Section 125 Reimb. Plan	(20,296)	69,524	72,987	(23,759)
Total Agency Funds	$ 56,951	$ 127,498	$ 126,730	$ 57,719

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
School Project Account							
Athletics	$ 27	$ 0	$ 71,046	$ 70,759	$ 314	$ 0	$ 314
Girls Basketball	14	0	289	16	287	0	287
Volleyball	1,846	0	1,665	3,497	14	0	14
Football	651	0	4,697	4,874	474	0	474
Basketball	555	0	6,439	6,994	0	0	0
Cross Country	1,809	0	0	468	1,341	0	1,341
HS Track	641	0	452	394	699	0	699
HS Softball	400	0	2,185	1,023	1,562	0	1,562
HS Baseball	4,484	0	6,789	5,929	5,344	0	5,344
MS Volleyball	505	0	646	746	405	0	405
MS G BBall	25	0	1,148	1,173	0	0	0
MS B BBall	1,663	0	750	1,070	1,343	0	1,343
MS FBall	69	0	120	140	49	0	49
General Fund	161	0	52,846	52,956	51	0	51
Sara Lewton	2,700	0	2,000	0	4,700	0	4,700
Vending Machines	7	0	1,988	1,994	1	0	1
Office Activity	209	0	121	78	252	0	252
Hospitality Room	22	0	80	101	1	0	1
MS Track Uniforms	225	0	495	692	28	0	28
Instrument Repair	30	0	1,485	1,313	202	0	202
Tech Projects	484	0	3,895	4,330	49	0	49
HE STD Projects	11	0	0	0	11	0	11
Target	990	0	68	387	671	0	671
Concessions	2,317	0	39,247	34,577	6,987	0	6,987
Flowers Toy	57	0	0	0	57	0	57
Vocal Music	740	0	0	374	366	0	366
Musical	0	0	2,046	1,858	188	0	188
FFA	19,659	0	57,241	56,835	20,065	0	20,065
Carnival	280	0	0	280	0	0	0
Book Fair	1,150	0	1,460	2,106	504	0	504
Yearbook	2,160	0	8,175	10,335	0	0	0
Journalism Class	116	0	0	0	116	0	116
Weather Station	1	0	0	0	1	0	1
Classroom Funds	9,715	0	2,673	5,534	6,854	0	6,854
Total District Activity Funds	$ 53,723	$ 0	$ 270,046	$ 270,833	$ 52,936	$ 0	$ 52,936

FEDERAL AWARD INFORMATION

BFR

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

Board of Education
Skyline Schools Unified School District No. 438
Pratt, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Skyline Schools Unified School District No. 438, Pratt, Kansas**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statement, which collectively comprise **Skyline Schools Unified School District No. 438, Pratt, Kansas'** basic financial statement, and have issued our report thereon dated September 17, 2024. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Skyline Schools Unified School District No. 438, Pratt, 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 **Skyline Schools Unified School District No. 438, Pratt, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Skyline Schools Unified School District No. 438, Pratt, Kansas'** internal control.

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

BFR CPA, LLC
10000 W. 37th St. N.
Wichita, Kansas 67205-7700

(316) 945-1500
Fax (316) 945-1505
bfr@bfrcpa.com

Board of Education
Skyline Schools Unified School District No. 438

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Skyline Schools Unified School District No. 438, Pratt, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

BFR CPA, LLC

BFR CPA, LLC
September 17, 2024

BFR

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

Board of Education
Skyline Schools Unified School District No. 438
Pratt, Kansas

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited **Skyline Schools Unified School District No. 438, Pratt, 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 **Skyline Schools Unified School District No. 438, Pratt, Kansas'** major federal program for the year ended **June 30, 2024**. **Skyline Schools Unified School District No. 438, Pratt, Kansas'** major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Skyline Schools Unified School District No. 438, Pratt, 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 (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Skyline Schools Unified School District No. 438, Pratt, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Skyline Schools Unified School District No. 438, Pratt, Kansas'** compliance with the compliance requirements referred to above.

BFR CPA, LLC
10000 W. 37th St. N.
Wichita, Kansas 67205-7700

(316) 945-1500
Fax (316) 945-1505
bfr@bfrcpa.com

Board of Education
Skyline Schools Unified School District No. 438

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 **Skyline Schools Unified School District No. 438, Pratt, Kansas'** major federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Skyline Schools Unified School District No. 438, Pratt, Kansas'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Skyline Schools Unified School District No. 438, Pratt, Kansas'** compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Skyline Schools Unified School District No. 438, Pratt, 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 **Skyline Schools Unified School District No. 438, Pratt, 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 **Skyline Schools Unified School District No. 438, Pratt, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

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

Board of Education
Skyline Schools Unified School District No. 438

Report on Internal Control Over Compliance

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

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

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

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

BFR CPA, LLC

BFR CPA, LLC
September 17, 2024

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grant Title	Assistance Listing Number	Program Amount	Expenditures
Department of Education			
Rural Education	84.358	$ 32,826	$ 32,826
(Passes Through Kansas Department of Education)			
Department of Agriculture			
Child Nutrition Cluster-Cluster			
School Breakfast Program	10.553	17,119	17,119
National School Lunch Program	10.555	96,002	96,002
Summer Food Service Program for Children	10.559	9,049	9,049
		122,170	122,170
Local Food for Schools Cooperative Agreement Program	10.185	3,737	3,737
		125,907	125,907
Department of Education			
Title I Grants to Local Educational Agencies	84.010	78,111	78,111
Career and Technical Education - Basic Grants to States	84.048	2,340	2,340
Supporting Effective Instruction State Grants	84.367	7,422	7,422
Student Support and Academic Enrichment Program	84.424	12,900	12,900
COVID-19 Education Stabilization Fund	84.425U	291,940	126,484
		392,713	227,257
(Passes Through Southwest Plains Service Center)			
Career and Technical Education - Basic Grants to States	84.048	1,488	1,488
(Passes Through Kansas Emergency Management)			
Department of Homeland Security			
Hazard Mitigation Grant	97.039	1,137,908	940,833
Total Federal Awards		$ 1,690,842	$ 1,328,311

The accompanying notes are an integral part of this schedule.

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
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 **Skyline Schools Unified School District No. 438, Pratt, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

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

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement in accordance with the regulatory basis of accounting of **Skyline Schools Unified School District No. 438, Pratt, Kansas**.

2. No significant deficiencies or material weaknesses were reported in the Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.

3. No instances of noncompliance material to the financial statement of **Skyline Schools Unified School District No. 438, Pratt, Kansas**, were disclosed during the audit.

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

5. The independent auditors' report on compliance for the major federal award program for **Skyline Schools Unified School District No. 438, Pratt, Kansas**, expresses an unmodified opinion on the major federal program.

6. There were no audit findings relative to the major federal award program for **Skyline Schools Unified School District No. 438, Pratt, Kansas**.

7. The program tested as a major program was:
   Hazard Mitigation Grant 97.039

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

9. **Skyline Schools Unified School District No. 438, Pratt, Kansas**, was determined not to be a low-risk auditee.

SKYLINE SCHOOLS UNIFIED SCHOOL DISTRICT NO. 438
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

There are no prior audit findings.