UNIFIED SCHOOL DISTRICT NO. 500

Kansas City, Kansas

Financial Statements

For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 500
Kansas City, Kansas

Report on the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Kansas City, Kansas Public Schools, Unified School District No. 500 (District), as of and for the year ended June 30, 2024, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial

statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statement, however, is 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 financial statements. 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 and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated December 20, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, Kansas
February 6, 2025

UNIFIED SCHOOL DISTRICT NO. 500
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts
General Funds:			
General Fund	$ -	$ -	$ 177,879,566
Supplemental General	2,497,416	-	59,254,223
Special Purpose Funds:			
At Risk (K-12)	1,259,741	-	58,091,810
At Risk (4 Year Old)	270,805	-	2,516,016
Parent Education Program	43,501	-	1,501,729
Bilingual Education	242,393	-	6,968,031
Virtual Education	-	-	1,485,216
Capital Outlay	7,770,387	-	20,189,841
Food Service	5,788,086	-	17,505,144
Professional Development	-	-	585,835
Special Education	626,807	-	24,507,768
Coop Special Education	434,916	-	24,669,186
Gifts and Grants	14,462,581	1,807,502	10,931,286
Vocational Education	86,758	-	3,695,909
KPERS Special Retirement Contribution	-	-	29,547,419
Federal Funds	(10,428,080)	249,820	60,783,866
Contingency Reserve	17,937,320	-	-
Student Materials Revolving	103,239	-	55,800
Public Library Board	33,548,783	-	15,530,472
Public Library Board Employee Benefits	1,600,699	-	1,575,706
District Activity	225,887	-	178,495
Bond and Interest Fund:			
Bond and Interest	9,780,290	-	15,037,925
Capital Project Fund:			
Capital Projects	16,355,552	-	635,760
Business Fund:			
School Workers' Compensation Reserve	1,894,057	-	379,026
Total Reporting Entity (Excluding Agency Funds)	$ 104,501,138	$ 2,057,322	$ 533,506,029

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

Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
$ 177,879,566	$ -	$ 2,073,665	$ 2,073,665
60,006,463	1,745,176	4,086,860	5,832,036
59,252,943	98,608	2,356,613	2,455,221
2,260,733	526,088	63,000	589,088
1,392,955	152,275	4,891	157,166
7,210,424	-	491,249	491,249
779,829	705,387	-	705,387
18,114,009	9,846,219	14,457,390	24,303,609
19,629,759	3,663,471	695,628	4,359,099
544,410	41,425	-	41,425
25,134,575	-	1,100,409	1,100,409
24,479,008	625,094	840,131	1,465,225
17,156,822	10,044,547	383,872	10,428,419
3,782,667	-	338,175	338,175
29,547,419	-	-	-
70,939,492	(20,333,886)	2,109,822	(18,224,064)
2,601,920	15,335,400	-	15,335,400
22,473	136,566	-	136,566
8,596,621	40,482,634	-	40,482,634
1,258,943	1,917,462	-	1,917,462
213,943	190,439	735	191,174
15,237,555	9,580,660	-	9,580,660
1,525,853	15,465,459	-	15,465,459
2,273,083	-	-	-
$ 549,841,465	$ 90,223,024	$ 29,002,440	$ 119,225,464

COMPOSITION OF CASH:	
UMB Bank	
Checking	$ 669,563
Commerce	
Checking	103,789,230
Security Bank	
U.S. Government and Agency Obligations	6,271,911
Money Market Funds	6,647,773
Other Obligations	2,545,776
Cash Balance	119,924,253
Less: Agency Funds per Statement 3	(698,789)
Total Reporting Entity (Excluding Agency Funds)	$ 119,225,464

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

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 500 (District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of $393,811 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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, and 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 municipality to use the regulatory basis for accounting.

Regulatory Basis Fund Types

In governmental accounting, 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 on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory basis 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.

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

Business Fund - fund financed in whole or in part by fees charged to users of the goods or services.

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, special purpose funds (unless specifically exempted by statute), and bond and interest funds. 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.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District did not amend the budget.

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

NOTE 1 - Summary of Significant Accounting Policies (Continued)

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, regulatory basis receipts are recognized when cash is received and expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the following special purpose funds: Contingency Reserve, Student Materials Revolving and the District Activity Fund.

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.

Deficit Cash

As of June 30, 2024, the Federal Fund had a negative unencumbered cash balance of $20,333,886. The deficit is due to timing differences between the expenditure of federal grant funds and the receipt of reimbursements.

NOTE 2 - Deposits and Investments

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1 - 2	More than 2	Rating U.S.
U.S Government and Agency Obligations	$ 6,271,911	$ 5,061,836	$ 297,281	$ 912,794	N/A
Money Market Funds	6,647,773	6,647,773	-	-	N/A
Other Obligations	2,545,776	1,709,736	536,040	300,000	N/A
Total Fair Value	$ 15,465,460	$ 13,419,345	$ 833,321	$ 1,212,794	

Deposits. 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.

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The rating of the District's investments are noted above.

NOTE 2 - Deposits and Investments (Continued)

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:

Investments	Percentage of Investments
U.S Government and Agency Obligations	40.55%
Money Market Funds	42.98%
Other Obligations	16.47%

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 has no designated "peak periods". All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $104,458,793 and the bank balance was $117,822,313. 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 bank balance of $117,322,313 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District long-term debt:

Debt Issue	Date Issued	Maturity Date	Original Amount	Outstanding Amount	Interest Rate
General Obligation Bonds					
Series 2016-A	12/20/2016	9/1/2037	$ 227,000,000	$ 19,670,000	4.00 to 5.00%
Series 2020-A	2/3/2020	9/1/2046	8,000,000	7,515,000	1.63 to 3.17%
Series 2020-B	2/3/2020	9/1/2046	154,015,000	145,260,000	1.60 to 3.17%
Series 2022	4/20/2022	9/1/2037	86,850,000	85,415,000	2.230%
			$ 475,865,000	$ 257,860,000	
Certificates of Participation					
Series 2009	10/15/2009	9/1/2025	$ 15,125,000	$ 2,307,249	2.15%
Series 2011	7/1/2011	7/1/2027	5,465,000	1,268,155	5.29%
			$ 20,590,000	$ 3,575,404	

NOTE 3 - Long-Term Debt (Continued)

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District has received authorization from the State of Kansas to exceed this limit.

Following is a summary of changes in long-term debt for the year ended June 30, 2024:

Debt Issue	Beginning Principal Outstanding	Additions	Reduction	Ending Principal Outstanding	Interest Paid
General Obligation Bonds					
2016-A Improvement	$ 23,790,000	$ -	$ 4,120,000	$ 19,670,000	$ 1,086,500
2020-A Improvement	7,760,000	-	245,000	7,515,000	209,752
2020-B Refunding	147,595,000	-	2,335,000	145,260,000	4,334,040
2022 Refunding	86,135,000	-	720,000	85,415,000	2,187,263
Certificates of Participation					
2009 Series	3,410,357	-	1,103,108	2,307,249	325,188
2011 Series	1,662,375	-	394,220	1,268,155	25,591
Total	$ 270,352,732	$ -	$ 8,917,328	$ 261,435,404	$ 8,168,334

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 7,685,000	$ 7,541,181	$ 15,226,181
2026	7,965,000	7,249,012	15,214,012
2027	8,265,000	6,742,988	15,007,988
2028	8,980,000	6,215,252	15,195,252
2029	9,325,000	5,945,233	15,270,233
2030 - 2034	49,685,000	26,630,611	76,315,611
2035 - 2039	55,795,000	20,842,836	76,637,836
2040 - 2044	65,760,000	12,332,666	78,092,666
2045 - 2047	44,400,000	2,136,739	46,536,739
Total	$ 257,860,000	$ 95,636,518	$ 353,496,518

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	$ 1,338,749	$ 338,262	$ 1,677,011
2026	1,586,080	188,743	1,774,823
2027	429,943	26,149	456,092
2028	220,632	13,075	233,707
Total	$ 3,575,404	$ 566,229	$ 4,141,633

In addition, $214,892,269 of general obligation bonds and certificates of participation are still outstanding but have been fully defeased and therefore are not reported in the District's financial statements.

NOTE 4 - Compensated Absences

Under terms of the District's personnel policy, District employees working twelve months per year receive vacation pay in varying amounts. In the event of termination, an employee is paid for accumulated vacation days, depending on the employee's length of service and/or position with the District.

Sick leave benefits are extended to all employees for whom deductions are made for the District's retirement plans. Annual benefits are allowed at the rate of 10 to 14 days per year, depending upon the number of days per year the employee works. Payment of accumulated sick leave is made in the following circumstances:

1. Upon resignation provided that the employee has completed thirty (30) years of service in the District or twenty (20) years of service and attained the age of fifty-five (55). Any individual initially employed by the District after 7/31/96 is not eligible.

2. Upon retirement or death. Any individual initially employed by the District after 7/31/96 is not eligible.

Seventy-five percent of the accumulated sick leave shall be paid, not to exceed 144 days. The amount of leave is dependent on the length of the employee's service to the District.

The District records an expense for vacation days and sick leave when paid. Utilization of accumulated vacation and sick leave by employees in future years is not expected to have a material impact on District expenditures in any one year. The District has not quantified the compensated absences for purposes of this disclosure.

NOTE 5 - 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)

NOTE 5 - Defined Benefit Pension Plan (Continued)

was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $29,547,419 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 $271,472,577. 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 KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE 6 - Early Separation Liability

The District also has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if the teacher was under contract with the District on or before August 1, 1996, on the year that separation is to begin the employee must be at least fifty-five years old and not more than sixty-five years old, and the employee must have completed twenty-five years of contracted experience as a District employee and at least ten consecutive years with USD 500 having been the individual's final years before early separation and have retired from KPERS.

The benefits from this plan are computed using a formula based upon the employees' experience factor and the employees' final total annual salary. The employees approved for the early separation benefits will be paid not more than one hundred sixty-eight semi-monthly payments with payments beginning on July 15 of the year separation begins and ending in the month in which the employee dies or becomes sixty-two years old, whichever occurs first. The cost of this plan in the fiscal year ended June 30, 2024, was $676,580. Future payments are estimated as follows:

Year Ending		
2024-25	$	462,540
2025-26		312,016
2026-27		184,373
2027-28		101,676
2028-29		53,658
2029-30		2,284
Total	$	1,116,547

NOTE 7 - 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; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

Workers' Compensation. The District has established a self insurance retention program in order to deal with workers compensation claims. Claims in excess of the self insured retention amount are covered through a third party limited coverage policy. The District is self insured with a $250,000 retention and statutory limit of coverage.

Liabilities below do not include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities are as follows:

Incurred claims from inception	$	36,590,449
Claim payments and adjustments from inception		(34,145,457)
Unpaid claims, June 30, 2024	$	2,444,992

NOTE 8 - Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2024.

The District is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. However, in the opinion of management, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

Subsequent to yearend the District suffered fire damage at one of its middle school buildings. The District is fully insured and expects that insurance will cover the costs of the rehabilitation of the building with the exception of the insurance deductible.

NOTE 9 - Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Employees who retire with twenty or more years of service are allowed to stay on the District's health insurance and the District pays for single full coverage until the retiree reaches Medicare eligibility age. While other retirees pay the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

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

NOTE 10 - Transfers

Transfers were as follows:

From	To	Amount	Regulatory Authority
General Fund	At Risk (4 Year Old) Fund	$ 2,516,016	K.S.A. 72-6478
General Fund	At Risk (K-12) Fund	45,238,426	K.S.A. 72-6478
General Fund	Bilingual Education Fund	4,309,745	K.S.A. 72-6478
General Fund	Virtual School	1,485,216	K.S.A. 72-6478
General Fund	Professional Development	566,708	K.S.A. 72-6478
General Fund	Parent Education	319,416	K.S.A. 72-6478
General Fund	Special Education	24,507,768	K.S.A. 72-6478
General Fund	COOP SPED	549,314	K.S.A. 72-6478
General Fund	Vocational Education	3,668,936	K.S.A. 72-6478
General Fund	Work Comp-Special Reserve	218,632	K.S.A. 72-6478
Supplemental General Fund	At Risk (K-12) Fund	12,853,384	K.S.A. 72-6478
Supplemental General Fund	Bilingual Education Fund	2,658,286	K.S.A. 72-6478
Contingency Reserve	Supplemental General-LOB	2,000,000	K.S.A. 72-6478
Special Education	COOP SPED	10,392,532	K.S.A. 72-978(h)
		$ 111,284,379	

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 1
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds:						
General Fund	$ 188,818,951	$ (11,333,196)	$ 393,811	$ 177,879,566	$ 177,879,566	$ -
Supplemental General	62,526,814	(2,520,351)	-	60,006,463	60,006,463	-
Special Purpose Funds:						
At Risk (K-12)	63,665,375	-	-	63,665,375	59,252,943	(4,412,432)
At Risk (4 Year Old)	2,927,488	-	-	2,927,488	2,260,733	(666,755)
Parent Education Program	1,402,035	-	-	1,402,035	1,392,955	(9,080)
Bilingual Education	7,210,424	-	-	7,210,424	7,210,424	-
Virtual Education	1,674,170	-	-	1,674,170	779,829	(894,341)
Capital Outlay	23,998,357	-	-	23,998,357	18,114,009	(5,884,348)
Food Service	30,974,125	-	-	30,974,125	19,629,759	(11,344,366)
Professional Development	544,410	-	-	544,410	544,410	-
Special Education	27,542,228	-	-	27,542,228	25,134,575	(2,407,653)
Coop Special Education	27,397,128	-	-	27,397,128	24,479,008	(2,918,120)
Gifts and Grants	27,124,658	-	-	27,124,658	17,156,822	(9,967,836)
Vocational Education	3,782,667	-	-	3,782,667	3,782,667	-
KPERS Special Retirement Contribution	31,387,264	-	-	31,387,264	29,547,419	(1,839,845)
Federal Funds	65,473,563	-	-	65,473,563	70,939,492	5,465,929
Public Library Board	40,501,164	-	-	40,501,164	8,596,621	(31,904,543)
Public Library Board Employee Benefits	3,006,681	-	-	3,006,681	1,258,943	(1,747,738)
Bond and Interest Fund:						
Bond and Interest	15,239,754	-	-	15,239,754	15,237,555	(2,199)

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-1
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
Equalization aid	$ 162,254,430	$ 166,305,602	$ 171,066,989	$ (4,761,387)
Special education aid	11,269,868	11,180,153	17,751,962	(6,571,809)
Reimbursed expenses	559,239	393,811	-	393,811
Total Receipts	174,083,537	177,879,566	$ 188,818,951	$ (10,939,385)
Expenditures				
Instruction	9,432,207	17,896,247	$ 9,601,439	$ 8,294,808
Student support services	2,813,053	2,291,443	3,568,403	(1,276,960)
Instructional support	14,027,183	11,769,268	14,274,602	(2,505,334)
General administration	813,948	1,024,354	614,408	409,946
School administration	16,880,186	11,489,733	16,627,851	(5,138,118)
Central services	15,643,177	14,394,515	9,092,386	5,302,129
Operations and maintenance	27,291,535	22,890,615	34,441,097	(11,550,482)
Community service or development	-	1,429,701	-	1,429,701
Transportation	10,568,658	11,313,513	11,074,358	239,155
Transfers out	76,613,590	83,380,177	89,524,407	(6,144,230)
Adjustment to comply with legal max budget	-	-	(11,333,196)	11,333,196
Legal general fund budget	174,083,537	177,879,566	177,485,755	393,811
Adjustment for qualifying budget credits	-	-	393,811	(393,811)
Total Expenditures	174,083,537	177,879,566	$ 177,879,566	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-2
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	$ 12,009,860	$ 13,043,169	$ 14,690,827	$ (1,647,658)
Delinquent tax	407,861	431,133	497,043	(65,910)
Motor vehicle tax	1,208,628	1,304,947	927,641	377,306
Revenue in lieu of taxes	153,771	104,410	-	104,410
Supplemental state aid	42,320,030	42,370,564	44,150,183	(1,779,619)
Transfer in	3,522,000	2,000,000	2,046,500	(46,500)
Total Receipts	59,622,150	59,254,223	$ 62,312,194	$ (3,057,971)
Expenditures				
Instruction	34,925,968	24,327,297	$ 37,562,036	$(13,234,739)
Student support services	6,000,357	308,539	5,365,500	(5,056,961)
Instructional support	174,109	14,518	68,438	(53,920)
School administration	13,947	7,466,906	137,671	7,329,235
Central services	3,484	514	-	514
Operations and maintenance	569,488	7,156,649	24,185	7,132,464
Community service or development	-	3,935,965	-	3,935,965
Transportation	1,811,165	1,284,405	1,609,042	(324,637)
Transfers out	15,132,724	15,511,670	17,759,942	(2,248,272)
Adjustment to comply with legal max budget	-	-	(2,520,351)	2,520,351
Total Expenditures	58,631,242	60,006,463	$ 60,006,463	$ -
Receipts Over (Under) Expenditures	990,908	(752,240)		
Unencumbered Cash, Beginning	1,506,508	2,497,416		
Unencumbered Cash, Ending	$ 2,497,416	$ 1,745,176		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-3
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers in	$ 56,712,513	$ 58,091,810	$ 63,661,642	$ (5,569,832)
Total Receipts	56,712,513	58,091,810	$ 63,661,642	$ (5,569,832)
Expenditures				
Instruction	47,508,298	49,619,818	$ 47,953,947	$ 1,665,871
Student support services	7,007,122	7,863,731	15,190,850	(7,327,119)
Instructional support	562,393	419,346	300,696	118,650
General administration	-	103,056	-	103,056
School administration	392,955	956,013	219,882	736,131
Community service or development	-	290,979	-	290,979
Total Expenditures	55,470,768	59,252,943	$ 63,665,375	$ (4,412,432)
Receipts Over (Under) Expenditures	1,241,745	(1,161,133)		
Unencumbered Cash, Beginning	17,996	1,259,741		
Unencumbered Cash, Ending	$ 1,259,741	$ 98,608		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-4
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers in	$ 2,346,226	$ 2,516,016	$ 2,665,300	$ (149,284)
Reimbursements	4,235	-	-	-
Total Receipts	2,350,461	2,516,016	2,665,300	(149,284)
Expenditures				
Instruction	1,069,999	880,461	$ 1,128,019	$ (247,558)
Student support services	5,889	6,327	-	6,327
Instructional support	2,091	2,694	225,825	(223,131)
General administration	-	95,250	-	95,250
School administration	382,598	470,123	472,830	(2,707)
Central services	4,543	5,754	-	5,754
Operations and maintenance	81,616	136,946	300,814	(163,868)
Community service or development	-	139,900	-	139,900
Transportation	533,242	523,278	800,000	(276,722)
Total Expenditures	2,079,978	2,260,733	$ 2,927,488	$ (666,755)
Receipts Over (Under) Expenditures	270,483	255,283		
Unencumbered Cash, Beginning	322	270,805		
Unencumbered Cash, Ending	$ 270,805	$ 526,088		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-5
Schedule of Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State aid	$ 897,282	$ 1,097,222	$ -	$ 1,097,222
Local source	105,349	85,091	1,005,000	(919,909)
Reimbursements	370	-	-	-
Transfers in	271,007	319,416	303,518	15,898
Total Receipts	1,274,008	1,501,729	$ 1,308,518	$ 193,211
Expenditures				
Community service or development	-	45,207	$ -	$ 45,207
Student support services	1,230,507	1,347,748	1,402,035	(54,287)
Total Expenditures	1,230,507	1,392,955	$ 1,402,035	$ (9,080)
Receipts Over (Under) Expenditures	43,501	108,774		
Unencumbered Cash, Beginning	-	43,501		
Unencumbered Cash, Ending	$ 43,501	$ 152,275		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers in	$ 7,108,154	$ 6,968,031	$ 7,210,424	$ (242,393)
Total Receipts	7,108,154	6,968,031	$ 7,210,424	$ (242,393)
Expenditures				
Instruction	5,928,639	5,839,748	$ 5,922,009	$ (82,261)
Student support services	363,854	515,786	454,127	61,659
Instructional support	533,117	647,758	623,924	23,834
General administration	-	132,817	-	132,817
School administration	94,309	573	210,364	(209,791)
Community service or development	-	73,742	-	73,742
Central Services	750	-	-	-
Total Expenditures	6,920,669	7,210,424	$ 7,210,424	$ -
Receipts Over (Under) Expenditures	187,485	(242,393)		
Unencumbered Cash, Beginning	54,908	242,393		
Unencumbered Cash, Ending	$ 242,393	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-7
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers in	$ 1,109,646	$ 1,485,216	$ 1,674,170	$ (188,954)
Total Receipts	1,109,646	1,485,216	$ 1,674,170	$ (188,954)
Expenditures				
Instruction	1,041,922	528,176	$ 1,607,404	$ (1,079,228)
Student support services	67,724	251,653	66,766	184,887
Total Expenditures	1,109,646	779,829	$ 1,674,170	$ (894,341)
Receipts Over (Under) Expenditures	-	705,387		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 705,387		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-8
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	$ 7,620,825	$ 8,269,853	$ 8,209,219	$ 60,634
Delinquent tax	261,362	273,528	314,955	(41,427)
Motor vehicle tax	813,989	826,175	587,746	238,429
Revenue in lieu of taxes	81,272	51,305	-	51,305
State aid	5,670,743	7,022,635	7,141,359	(118,724)
Interest on idle funds	2,447,998	3,693,496	-	3,693,496
Miscellaneous	59,107	52,849	-	52,849
Total Receipts	16,955,296	20,189,841	$ 16,253,279	$ 3,936,562
Expenditures				
Instruction	4,869,509	2,472,314	$ 668,988	$ 1,803,326
Instructional support	(415)	3,710	-	3,710
Central services	1,461,690	1,432,585	1,230,000	202,585
Operations and maintenance	9,368,014	4,297,620	19,840,869	(15,543,249)
Community service or development	-	8,535,304	-	8,535,304
Transportation	312,240	-	600,000	(600,000)
Debt service	1,653,376	1,402,893	1,658,500	(255,607)
Facility acquisition and construction services	578,611	(30,417)	-	(30,417)
Total Expenditures	18,243,025	18,114,009	$ 23,998,357	$ (5,884,348)
Receipts Over (Under) Expenditures	(1,287,729)	2,075,832		
Unencumbered Cash, Beginning	6,842,749	7,770,387		
Prior Year Cancelled Encumbrances	2,215,367	-		
Unencumbered Cash, Ending	$ 7,770,387	$ 9,846,219		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-9
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal aid	$ 14,593,824	$ 17,087,429	$ 25,042,945	$ (7,955,516)
State aid	121,829	137,252	160,000	(22,748)
Charges for services	505,690	222,134	67,000	155,134
Miscellaneous	453	18,231	-	18,231
Interest on idle funds	26,011	40,098	-	40,098
Total Receipts	15,247,807	17,505,144	$ 25,269,945	$ (7,764,801)
Expenditures				
School administration	-	2,091	$ -	$ 2,091
General administration	-	300,000	-	300,000
Community service or developme	-	75	-	75
Food service operation	16,323,868	19,327,593	30,974,125	(11,646,532)
Total Expenditures	16,323,868	19,629,759	$ 30,974,125	$(11,344,366)
Receipts Over (Under) Expenditures	(1,076,061)	(2,124,615)		
Unencumbered Cash, Beginning	6,864,147	5,788,086		
Unencumbered Cash, Ending	$ 5,788,086	$ 3,663,471		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-10
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
State aid	$ -	$ 19,127	$ 71,010	$ (51,883)
Transfers in	-	566,708	473,400	93,308
Total Receipts	-	585,835	$ 544,410	$ 41,425
Expenditures				
Instruction	-	114,197	$ -	$ 114,197
School administration	-	219,815	-	219,815
Instructional support	-	-	308,786	(308,786)
Central services	-	-	235,624	(235,624)
Community service or development	-	210,398	-	210,398
Total Expenditures	-	544,410	$ 544,410	$ -
Receipts Over (Under) Expenditures	-	41,425		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 41,425		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-11
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal aid	$ 457,280	$ -	$ -	$ -
Miscellaneous	2,818	-	-	-
Transfers in	17,192,979	24,507,768	27,542,228	(3,034,460)
Total Receipts	17,653,077	24,507,768	$ 27,542,228	$ (3,034,460)
Expenditures				
Instruction	17,078,731	12,060,715	$ 23,327,028	$(11,266,313)
Student support services	104	3,506	200	3,306
Instructional support	1,185	-	1,215,000	(1,215,000)
School administration	-	20,912	-	20,912
Community service or development	-	381,013	-	381,013
Student transportation services	2,144,367	2,275,897	3,000,000	(724,103)
Transfers out	5,211,068	10,392,532	-	10,392,532
Total Expenditures	24,435,455	25,134,575	$ 27,542,228	$ (2,407,653)
Receipts Over (Under) Expenditures	(6,782,378)	(626,807)		
Unencumbered Cash, Beginning	7,409,185	626,807		
Unencumbered Cash, Ending	$ 626,807	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-12
Schedule of Receipts and Expenditures - Actual and Budget
Coop Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Local - other district contributions	$ 2,402,179	$ 2,270,465	$ 13,150,000	$(10,879,535)
Federal aid	9,149,497	7,831,976	9,247,128	(1,415,152)
State aid	825	377	-	377
Medicaid	2,966,168	3,621,972	5,000,000	(1,378,028)
Miscellaneous	2,920	2,550	-	2,550
Transfers in	5,764,369	10,941,846	-	10,941,846
Total Receipts	20,285,958	24,669,186	$ 27,397,128	$ (2,727,942)
Expenditures				
Instruction	14,730,307	15,221,597	$ 14,740,691	$ 480,906
Student support services	6,088,701	5,789,549	8,600,692	(2,811,143)
Instructional support	3,498,465	3,146,238	3,805,745	(659,507)
School administration	4,016	78,020	-	78,020
Community service and development	-	18,923	-	18,923
Transportation	426,137	224,681	250,000	(25,319)
Total Expenditures	24,747,626	24,479,008	$ 27,397,128	$ (2,918,120)
Receipts Over (Under) Expenditures	(4,461,668)	190,178		
Unencumbered Cash, Beginning	4,896,584	434,916		
Unencumbered Cash, Ending	$ 434,916	$ 625,094		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-13
Schedule of Receipts and Expenditures - Actual and Budget
Gifts and Grants Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal aid	$ 992,990	$ 3,295,034	$ -	$ 3,295,034
State aid	2,783,023	3,825,197	2,231,788	1,593,409
Contributions and donations	909,778	1,316,978	2,500,000	(1,183,022)
Local source	-	532,335	-	532,335
User charges and fees	237,939	197,755	-	197,755
Miscellaneous	2,434,516	1,763,987	5,000,000	(3,236,013)
Total Receipts	7,358,246	10,931,286	$ 9,731,788	$ 1,199,498
Expenditures				
Instruction	2,017,915	3,107,969	$ 19,752,340	$ (16,644,371)
Student support services	2,712,052	2,014,186	2,823,717	(809,531)
Instructional support	2,159,841	2,815,824	763,609	2,052,215
General administration	11,953	861,004	295,983	565,021
School administration	67,670	459,566	68,135	391,431
Central services	76,209	33,520	1,155,059	(1,121,539)
Operations and maintenance	5,350,191	6,004,615	2,060,815	3,943,800
Community service or development	-	1,860,138	-	1,860,138
Transportation	-	-	125,000	(125,000)
Food service operation	-	-	80,000	(80,000)
Total Expenditures	12,395,831	17,156,822	$ 27,124,658	$ (9,967,836)
Receipts Over (Under) Expenditures	(5,037,585)	(6,225,536)		
Unencumbered Cash, Beginning	19,500,166	14,462,581		
Prior Year Cancelled Encumbrances	-	1,807,502		
Unencumbered Cash, Ending	$ 14,462,581	$ 10,044,547		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-14
Schedule of Receipts and Expenditures - Actual and Budget
Vocational Education Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Transfers in	$ 2,956,488	$ 3,668,936	$ 3,753,667	$ (84,731)
State aid	31,731	26,973	29,000	(2,027)
Total Receipts	2,988,219	3,695,909	$ 3,782,667	$ (86,758)
Expenditures				
Instruction	2,733,838	3,672,282	$ 3,538,108	$ 134,174
Student support services	-	-	25,000	(25,000)
Instructional support	167,623	102,326	219,559	(117,233)
School administration	-	2,864	-	2,864
Community service or development	-	5,195	-	5,195
Total Expenditures	2,901,461	3,782,667	$ 3,782,667	$ -
Receipts Over (Under) Expenditures	86,758	(86,758)		
Unencumbered Cash, Beginning	-	86,758		
Unencumbered Cash, Ending	$ 86,758	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-15
Schedule of Receipts and Expenditures - Actual and Budget
Employees' Retirement Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues:				
Delinquent tax	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Miscellaneous	756	-	$ -	$ -
Total Expenditures	756	-	$ -	$ -
Receipts Over (Under) Expenditures	(756)	-		
Unencumbered Cash, Beginning	756	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-16
Schedule of Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
State aid	$ 28,533,876	$ 29,547,419	$ 31,387,264	$ (1,839,845)
Total Receipts	28,533,876	29,547,419	$ 31,387,264	$ (1,839,845)
Expenditures				
Employee benefits	28,533,876	29,547,419	$ 31,387,264	$ (1,839,845)
Total Expenditures	28,533,876	29,547,419	$ 31,387,264	$ (1,839,845)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-17
Schedule of Receipts and Expenditures - Actual and Budget
Federal Funds
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal aid	$ 71,086,638	$ 60,613,708	$ 73,041,356	$ (12,427,648)
Local source	340,316	170,158	-	170,158
Reimbursements	15,244	-	-	-
Total Receipts	71,442,198	60,783,866	$ 73,041,356	$ (12,257,490)
Expenditures				
Instruction	48,379,244	54,640,391	$ 62,274,206	$ (7,633,815)
Student support services	3,069,909	678,189	974,043	(295,854)
Instructional support	6,403,214	2,777,627	1,936,848	840,779
General administration	267,802	155,671	-	155,671
School administration	512,582	4,668,470	17,158	4,651,312
Central services	779,170	159,585	98,872	60,713
Operations and maintenance	4,361,645	-	-	-
Community service or development	-	7,342,131	-	7,342,131
Transportation	1,500,971	477,773	172,436	305,337
Food service operations	73,841	39,655	-	39,655
Total Expenditures	65,348,378	70,939,492	$ 65,473,563	$ 5,465,929
Receipts Over (Under) Expenditures	6,093,820	(10,155,626)		
Unencumbered Cash, Beginning	(16,521,900)	(10,428,080)		
Prior Year Cancelled Encumbrances	-	249,820		
Unencumbered Cash, Ending	$(10,428,080)	$(20,333,886)		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 3,496,000	$ -
Total Receipts	3,496,000	-
Expenditures		
Community service or development	-	601,920
Transfers out	3,522,000	2,000,000
Total Expenditures	3,522,000	2,601,920
Receipts Over (Under) Expenditures	(26,000)	(2,601,920)
Unencumbered Cash, Beginning	17,963,320	17,937,320
Unencumbered Cash, Ending	$ 17,937,320	$ 15,335,400

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
Student Materials Revolving Fund *
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Federal aid	$ -	$ 182
Local sources	-	12,298
Charges for services	51,713	25,406
Miscellaneous revenues	31,312	17,914
Total Receipts	83,025	55,800
Expenditures		
Instruction	143,806	19,823
Community service or development	-	2,650
Total Expenditures	143,806	22,473
Receipts Over (Under) Expenditures	(60,781)	33,327
Unencumbered Cash, Beginning	164,020	103,239
Unencumbered Cash, Ending	$ 103,239	$ 136,566

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-20
Schedule of Receipts and Expenditures - Actual and Budget
Public Library Board Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	$ 9,347,583	$ 10,145,708	$ 10,084,350	$ 61,358
Delinquent tax	318,831	334,860	386,875	(52,015)
Motor vehicle tax	1,000,217	1,015,709	721,965	293,744
Revenue in lieu of taxes	120,684	81,264	-	81,264
Federal aid	-	10,000	-	10,000
State aid	44,898	44,357	-	44,357
Other revenue from a local source	3,945,198	3,773,699	-	3,773,699
Interest	78,033	120,295	-	120,295
Donations	55,716	3,950	-	3,950
Other	256	630	-	630
Total Receipts	14,911,416	15,530,472	$ 11,193,190	$ 4,337,282
Expenditures				
Instruction	-	911	$ -	$ 911
Community service operations	6,247,087	8,244,933	40,501,164	(32,256,231)
Operations and maintenance	388,432	350,777	-	350,777
Total Expenditures	6,635,519	8,596,621	$ 40,501,164	$ (31,904,543)
Receipts Over [Under] Expenditures	8,275,897	6,933,851		
Unencumbered Cash, Beginning	25,272,886	33,548,783		
Unencumbered Cash, Ending	$ 33,548,783	$ 40,482,634		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-21
Schedule of Receipts and Expenditures - Actual and Budget
Public Library Board Employee Benefits Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	$ 1,272,306	$ 1,380,781	$ 1,372,455	$ 8,326
Delinquent tax	43,507	45,624	52,659	(7,035)
Motor vehicle tax	132,692	138,241	98,341	39,900
Revenue in lieu of taxes	19,925	11,060	-	11,060
Total Receipts	1,468,430	1,575,706	$ 1,523,455	$ 52,251
Expenditures				
Community service operations	1,221,497	1,258,943	$ 3,006,681	$ (1,747,738)
Total Expenditures	1,221,497	1,258,943	$ 3,006,681	$ (1,747,738)
Receipts Over (Under) Expenditures	246,933	316,763		
Unencumbered Cash, Beginning	1,353,766	1,600,699		
Unencumbered Cash, Ending	$ 1,600,699	$ 1,917,462		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 2-22
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	$ 8,576,030	$ 9,299,730	$ 9,250,396	$ 49,334
Delinquent tax	305,674	312,982	354,961	(41,979)
Motor vehicle tax	994,400	931,998	662,602	269,396
Revenue in lieu of taxes	112,013	74,556	-	74,556
State aid	4,935,324	4,418,659	4,418,659	-
Total Receipts	14,923,441	15,037,925	$ 14,686,618	$ 351,307
Expenditures				
Bond principal	7,180,000	7,420,000	$ 7,420,000	$ -
Interest	7,770,958	7,817,555	7,819,754	(2,199)
Total Expenditures	14,950,958	15,237,555	$ 15,239,754	$ (2,199)
Receipts Over (Under) Expenditures	(27,517)	(199,630)		
Unencumbered Cash, Beginning	9,807,807	9,780,290		
Unencumbered Cash, Ending	$ 9,780,290	$ 9,580,660		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
Capital Project Fund *
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Investment income	$ 286,998	$ 635,760
Total Receipts	286,998	635,760
Expenditures		
Capital outlay	3,012,067	1,525,853
Total Expenditures	3,012,067	1,525,853
Receipts Over (Under) Expenditures	(2,725,069)	(890,093)
Unencumbered Cash, Beginning	19,080,621	16,355,552
Unencumbered Cash, Ending	$ 16,355,552	$ 15,465,459

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures
School Worker's Compensation Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual and Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Investment income	$ 104,043	$ 160,394
Transfer in	-	218,632
Total Receipts	104,043	379,026
Expenditures		
General administration	1,621,096	2,273,083
Total Expenditures	1,621,096	2,273,083
Receipts Over (Under) Expenditures	(1,517,053)	(1,894,057)
Unencumbered Cash, Beginning	3,411,110	1,894,057
Unencumbered Cash, Ending	$ 1,894,057	$ -

* This fund is not required to be budgeted.

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
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 Schools				
Clubs and Societies	$ 423,786	$ 469,947	$ 470,428	$ 423,305
Total High Schools	423,786	469,947	470,428	423,305
District				
Healthcare Reserve	4,920,209	-	4,920,209	-
Total District	4,920,209	-	4,920,209	-
Middle Schools				
Clubs and Societies	198,945	131,678	186,771	143,852
Total Middle Schools	198,945	131,678	186,771	143,852
Elementary Schools				
Clubs and Societies	174,092	72,420	114,880	131,632
Total Elementary Schools	174,092	72,420	114,880	131,632
Total Agency Funds	$ 5,717,032	$ 674,045	$ 5,692,288	$ 698,789

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500 Schedule 4

Schedule of Receipts, Expenditures and Unencumbered Cash

District Activity Fund

Regulatory Basis

For the Year Ended June 30, 2024

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
District Activity Fund	$ 225,887	$ -	$ 178,495	$ 213,943	$ 190,439	$ 735	$ 191,174

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Entity/Program Title	Assistance Listing Number	Cluster	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture				
Pass-Through Kansas Department of Education				
School Breakfast Program	10.553	1		$ 4,127,142
National School Lunch Program	10.555	1		11,237,477
Child and Adult Care Food Program	10.558			282,608
Summer Food Service Program for Children	10.559	1		1,078,352
Fresh Fruit and Vegetables	10.582	1		361,850
Total U.S. Department of Agriculture				**17,087,429**
U.S. Department of Education				
Pass-Through Kansas Department of Education				
Title I Grants to Local Educational Agencies	84.010A		S010A220016, S01A190016	14,953,341
Migrant Education State Grant Program	84.011A		S011A220016, S011A230016	315,587
Special Education Grants to States	84.027A	2	H027A230031, H027A220031	3,417,077
Career and Technical Education - Basic Grants to States	84.048A		V048A220016, V048A230016	344,599
Education for Homeless Children and Youth	84.196A		S196A220017, S196A230017	2,713
Twenty-First Century Community Learning Centers	84.287C		S287C220016, S287C230016	339,554
English Language Acquisition State Grants	84.365A		S365A220016, S365A230016	861,232
Supporting Effective Instruction State Grants	84.367A		S367A220015, S367A230015	1,329,189
Student Support and Academic Enrichment Program	84.424A		S424A230017, S424A220017, S424F220017	708,737
COVID-19 - Education Stabilization Fund	84.425U		S425U21002, S425W210017	48,274,382
Total U.S. Department of Education				**70,546,411**
U.S. Department of Health and Human Services				
Pass-Through Kansas Department of Education				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323			1,762,594
Direct Program				
Head Start	93.600	3		5,500,171
Total U.S. Department of Health and Human Services				**7,262,765**
Total Federal Assistance				**$ 94,896,605**

Clusters:

1 - Child Nutrition Cluster	$ 16,804,821
2 - Special Education Cluster (IDEA)	3,417,077
3 - Head Start Cluster	5,500,171

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 500
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. Organization

Kansas City, Kansas Public Schools Unified School District No. 500 (District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2024.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2024.

6. Pass Through Entity Numbers

Grant numbers are not listed for several grants on the Schedule of Expenditures of Federal Awards. For those grants, pass through grantors have not assigned passthrough numbers to the passthrough grants noted in the schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)			
Internal control over financial reporting:				
• Material weaknesses identified?	X	Yes		No
• Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None reported
• Noncompliance material to financial statements noted?		Yes	X	No

FEDERAL AWARDS

Internal control over major programs:				
• Material weaknesses identified?	X	Yes		No
• Significant deficiencies identified that are not considered to be material weaknesses?		Yes	X	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a):	X	Yes		None Reported

Type of auditor's report issued on compliance for major programs:

CFDA Number	NAME OF FEDERAL PROGRAM	Opinion
84.010A	Title 1 Grants to Local Educational Agencies	Unmodified
84.425	Education Stabilization Fund	Unmodified
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$ 2,846,898			
Auditee qualified as low-risk auditee?		Yes	X	No

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2024-001 – Procurement (Material Weakness):

See Section III – Federal Award Findings and Questioned costs.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2024-001 – Procurement (Material Weakness):

Assistance # 93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
Federal Award # and Year: NU50CK000549, 2024
Name of Federal Agency: U.S. Department of Health and Human Services
Name of Pass-Thru Agency: Kansas Department of Education
Type of Compliance Finding: I - Procurement

Condition: The District did not follow their internal policy for procurement on nine (9) items charged to the grant. The District obtained quotes on all but one (1) item, however, the amount of quotes obtained were not sufficient under the District's policy.

Criteria: Procurement Methods 2 CFR 200.320(a)(2)(i) - Simplified acquisition procedures. The aggregate dollar amount of the procurement transaction is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If simplified acquisition procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. Unless specified by the Federal agency, the recipient or subrecipient may exercise judgment in determining what number is adequate. The current policy of the District is that all purchases up to and included $2,999 are considered small or micro and require no quotes, amounts from $3,000 to $10,000 require two (2) quotations on material and/or services, amounts between $10,000 and $19,999 require three (3) quotations, and all items exceeding $20,000 require board approval.

Questioned Costs: N/A

Repeat Finding: No

Context: 9 of the 14 items selected for review did not obtain enough quotes to meet the District's procurement policy. This is due to the District having documentation of the expenditure and having obtained a minimum of one (1) quote for each. The population the sample was obtained from totaled 36 items. The sample size was determined based upon guidelines provided by the AICPA which is not a statistically valid sample.

Cause: The District's internal controls over procurement compliance were not effectively implemented. Specifically, the procurement policy in place was not consistently followed by staff.

Effect: The District may not have properly compared and evaluated vendors for these purchases.

Recommendations: We recommend the District implement a control to ensure the proper number of quotes obtained on purchases meets the District's policy.

Views of Responsible Officials (Unaudited): Management agrees with the finding and will implement a more detailed training and supervision process to ensure purchasing requirements are met.

UNIFIED SCHOOL DISTRICT NO. 500
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

None were reported.

AGH CPAs & ADVISORS

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*

Independent Auditor's Report

Board of Education
Unified School District No. 500
Kansas City, Kansas

We 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 and the Kansas Municipal Audit and Accounting Guide, the financial statements of the Kansas City, Kansas Public Schools Unified School District No. 500 (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 6, 2025. The District prepared the regulatory basis financial statement to meet the requirements of the State of 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompany *schedule of findings and questioned costs* as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are 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 statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *schedule of findings and questioned costs* as item 2024-001.

District's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying *schedule of findings and questioned costs*. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Allen, Gibbs & Houlik, L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, Kansas
February 6, 2025

AGH CPAs & ADVISORS

Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

Board of Education
Unified School District No. 500
Kansas City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Kansas City, Kansas Unified School District No. 500 (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying *schedule of findings and questioned costs* as item 2024-001, to be a material weakness.

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

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

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

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, KS
February 6, 2025