ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
ARKANSAS CITY, KANSAS

FINANCIAL STATEMENT
JUNE 30, 2024

BFR

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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INDEPENDENT AUDITORS' REPORT

Board of Education
Arkansas City Unified School District No. 470
Arkansas City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements, and district activity funds schedules of regulatory basis cash receipts, expenditures, and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Board of Education
Arkansas City Unified School District No. 470

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Arkansas City Unified School District No. 470, Arkansas City, Kansas**, as of and for the year ended June 30, 2023, and have issued our report thereon dated November 17, 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 November 5, 2024, on our consideration of **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC
November 5, 2024

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 24,929,159	$ 24,929,159	$ 0	$ 10,318	$ 10,318
Special Purpose Funds							
Supplemental General	88,334	0	7,888,465	7,877,126	99,673	0	99,673
Preschool-Aged At-Risk	0	0	237,529	237,529	0	0	0
At Risk (K-12)	499,184	0	7,672,225	7,671,409	500,000	0	500,000
Bilingual Education	0	0	264,500	214,500	50,000	0	50,000
Virtual Education	61,231	0	127,543	128,774	60,000	0	60,000
Capital Outlay	678,391	0	2,538,879	2,185,122	1,032,148	543,673	1,575,821
Driver Training	63,531	0	26,021	26,418	63,134	0	63,134
Food Service	1,422,616	0	1,960,547	2,296,003	1,087,160	0	1,087,160
Professional Development	125,000	0	130,132	38,591	216,541	0	216,541
Summer School	98,144	0	0	944	97,200	0	97,200
Special Education	940,875	0	4,868,362	4,869,237	940,000	0	940,000
Career and Postsecondary Education	100,000	0	703,051	753,045	50,006	0	50,006
KPERS Contribution	0	0	3,071,458	3,071,458	0	0	0
Recreation Commission	65,566	0	764,632	700,429	129,769	0	129,769
Recreation Commission Employee Benefits & Special Liability	56,478	0	144,399	170,000	30,877	0	30,877
Federal Funds	(400,330)	0	5,852,874	5,906,573	(454,029)	269,580	(184,449)
Gifts and Grants	189,102	0	121,185	127,185	183,102	23,938	207,040
Contingency Reserve	300,000	0	100,000	0	400,000	0	400,000
Textbook & Student Material Revolving	302,152	0	150,631	108,642	344,141	0	344,141
District Activity Funds	61,406	0	551,510	547,661	65,255	0	65,255
Bond & Interest Fund	5,151,795	0	7,095,409	6,729,569	5,517,635	0	5,517,635
	$ 9,803,475	$ 0	$ 69,198,511	$ 68,589,374	$ 10,412,612	$ 847,509	$ 11,260,121

Composition of Cash:		
	Checking and Money Market Accounts	$ 11,031,809
	Certificate of Deposit	74,036
	Investments	437,984
		11,543,829
	Agency Funds	(283,708)
		$ 11,260,121

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

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Arkansas City Unified School District No. 470 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Arkansas City, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

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

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

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

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

Budget and Tax Cycle

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

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. 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 $3,071,458 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 $29,200,993. 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 - 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	Virtual Education	Food Service	Professional Development	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material Revolving	Total
General Fund	$ 98,000	$ 5,660,909	$ 0	$ 0	$ 0	$ 0	$ 3,172,716	$ 215,887	$ 100,000	$ 0	$ 9,247,512
Supplemental General Fund	139,529	2,011,316	264,500	127,543	79	125,000	1,615,611	487,164	0	146,834	4,917,576
	$ 237,529	$ 7,672,225	$ 264,500	$ 127,543	$ 79	$ 125,000	$ 4,788,327	$ 703,051	$ 100,000	$ 146,834	$ 14,165,088

Note 4 - 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 5 - Deposits & Investments:

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

Investment Type	Fair Value	Rating
Kansas Municipal Investment Pool	$ 437,984	N/A

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

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

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

Investment Type	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 $11,105,845 and the bank balance was $15,288,892. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $410,014 was covered by federal depository insurance and the remaining $14,878,878 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 failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2024, the District had invested $437,984 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investments 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 that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 6 - 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.

Paid Leave for Classified Employees
The District grants 12-month employees 2 weeks paid vacation. Vacation pay is figured on a 40-hour week, unless the employee's work week is less than 40 hours in which case it will be figured on the average hours worked. After 8 consecutive years employed by the District, 3 weeks paid vacation will be granted. No vacation days will be carried forward beyond June 30 of the year following the one in which the vacation days were accrued. No vacation days will be paid upon termination or retirement.

The District grants various positions paid leave days at the rate of 1 day per month: 12-month employees receive 12 days per year, and other full-time employees receive 9 days per year. No paid leave days will be paid upon termination or retirement for classified employees.

Paid Leave for Certified Employees
The District grants each full-time teacher 12 paid leave days per year, accumulative to 90 days. Half-time teachers will be granted the same number of half days of paid leave as full-time teachers are granted full days of paid leave. Teachers working other than full time or half-time shall be granted a prorated number of paid leave days. If a teacher is on extended contract, they will be granted 1 additional day of paid leave for each month beyond the regular 9-month contract. All leave days per contract year may be used for either personal or paid leave. At the end of each contracted school year, the full-time teacher who has an accumulated paid leave in excess of 78 days shall receive $100.00 per day for each unused day of paid leave accumulated. At the time of retirement, a teacher shall be compensated for all days of unused accumulated paid leave at the rate of $100.00 per day.

Early Retirement

The District provides an early retirement/phase-out option plan to administrators and certified staff. A teacher is eligible for the phase-out option if such employee was employed as a full-time teacher in a certified position by the District during the 2019-2020 contract year. A certified employee is eligible for early retirement if such employee is not more than the age to receive full social security benefits the year that early retirement benefits would begin, will simultaneously be drawing retirement benefits from KPERS, and meets 1 of the 3 sets of requirements listed below:

1. Has 20 or more years of service with the District and has accumulated 85 service points as defined by the Kansas Public Employees' Retirement System. The benefits will not exceed 6 payments.

2. Is 55 years of age, inclusive, on July 1 of the year that early retirement benefits would begin, has at least 10 years of experience with the District, and has accumulated 85 service points as defined by the Kansas Public Employees' Retirement System. The benefits will not exceed 6 payments.

3. Is 60 years of age, inclusive, on July 1 of the year that early retirement benefits would begin, has 10 or more years of service with the District, and was on contract prior to the 2008-2009 school year.

The early retirement benefits paid to an eligible employee are as follows:

1. An eligible employee with 20 or more years of service to the District will receive an annual stipend of $5,000 through the school year in which he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

2. An eligible employee age 55, inclusive, with at least 15 years of service with the District will receive an annual stipend of $4,000 through the school year inwhich he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

3. An eligible employee age 55, inclusive, with at least 10 years of service to the District will receive an annual stipend of $3,000 through the school year in which he/she qualifies for full social security benefits. The stipend will be deposited in a District provided 403(b) tax-sheltered account. This benefit shall not exceed 6 annual payments.

The District recorded expenditures for early retirement benefits of $81,333 for 14 former employees for the year ended June 30, 2024.

Note 7 - 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 8 - 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 9 - Subsequent Events:

The District has evaluated subsequent events through November 5, 2024, the date which the financial statement was available to be issued.

Note 10 - Long-Term Debt:

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

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	2.45 - 4.75	12/27/2012	$ 8,960,000	9/1/2027
2013 Series	2.49 - 4.60	4/19/2013	$ 9,555,000	9/1/2028
2014 Series	2.00 - 4.00	7/24/2014	$ 9,300,000	9/1/2025
2015 Series	2.00 - 4.00	4/30/2015	$ 8,135,000	9/1/2023
2020 Series	0.30 - 0.90	12/30/2020	$ 14,730,000	9/1/2025

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

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	$ 255,000	$ 0	$ 85,000	$ 170,000	$ 4,250
2013 Series	3,825,000	0	145,000	3,680,000	79,462
2014 Series	3,920,000	0	0	3,920,000	115,206
2015 Series	3,250,000	0	3,250,000	0	52,500
2020 Series	8,405,000	0	2,945,000	5,460,000	53,151
	$ 19,655,000	$ 0	$ 6,425,000	$ 13,230,000	$ 304,569

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

	Principal	Interest	Total Principal and Interest
2025	$ 6,550,000	$ 175,624	$ 6,725,624
2026	6,680,000	54,789	6,734,789
	$ 13,230,000	$ 230,413	$ 13,460,413

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 25,850,742	$ (1,050,113)	$ 128,530	$ 24,929,159	$ 24,929,159	$ 0
Special Purpose Funds						
Supplemental General	7,971,404	(94,278)	0	7,877,126	7,877,126	0
Preschool-Aged At-Risk	238,000	0	0	238,000	237,529	(471)
At Risk (K-12)	7,903,469	0	0	7,903,469	7,671,409	(232,060)
Bilingual Education	214,500	0	0	214,500	214,500	0
Virtual Education	311,231	0	0	311,231	128,774	(182,457)
Capital Outlay	3,149,757	0	0	3,149,757	2,185,122	(964,635)
Driver Training	141,631	0	0	141,631	26,418	(115,213)
Food Service	3,317,726	0	0	3,317,726	2,296,003	(1,021,723)
Professional Development	162,250	0	0	162,250	38,591	(123,659)
Summer School	198,144	0	0	198,144	944	(197,200)
Special Education	6,090,875	0	0	6,090,875	4,869,237	(1,221,638)
Career and Postsecondary Education	950,000	0	0	950,000	753,045	(196,955)
KPERS Contribution	3,538,494	0	0	3,538,494	3,071,458	(467,036)
Recreation Commission	700,429	0	0	700,429	700,429	0
Recreation Commission Employee Benefits & Special Liability	170,000	0	0	170,000	170,000	0
Federal Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	5,906,573	XXXXXXXXX
Gifts and Grants	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	127,185	XXXXXXXXX
Contingency Reserve	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	0	XXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	108,642	XXXXXXXXX
District Activity Funds	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	XXXXXXXXX	547,661	XXXXXXXXX
Bond & Interest Fund	6,729,569	0	0	6,729,569	6,729,569	0
	$ 67,638,221	$ (1,144,391)	$ 128,530	$ 66,622,360	$ 68,589,374	$ (4,723,047)

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 147,348	$ 128,530	$ 0	$ 128,530
County Sources	144	198	0	198
State Sources	23,653,053	24,800,431	25,804,902	(1,004,471)
	23,800,545	24,929,159	$ 25,804,902	$ (875,743)
Expenditures				
Instruction	9,293,983	8,206,938	$ 9,582,392	$ (1,375,454)
Student Support Services	636,190	594,069	670,000	(75,931)
Instructional Support Staff	1,124,183	1,455,999	1,148,500	307,499
General Administration	608,641	645,374	633,000	12,374
School Administration	1,860,648	1,965,575	1,884,600	80,975
Central Services	160,801	150,380	169,500	(19,120)
Operations & Maintenance	92,934	1,688,574	97,500	1,591,074
Student Transportation Services	1,003,365	956,626	1,026,250	(69,624)
Community Services Operations	12,935	18,112	15,000	3,112
Transfers	9,006,865	9,247,512	10,624,000	(1,376,488)
Adjustment to Comply with Legal Max	0	0	(1,050,113)	1,050,113
Adjustment for Qualifying Budget Credits	0	0	128,530	(128,530)
	23,800,545	24,929,159	$ 24,929,159	$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Supplemental General Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,619,290	$ 2,055,442	$ 1,890,176	$ 165,266
County Sources	229,234	203,241	195,917	7,324
State Sources	5,332,390	5,629,782	5,697,162	(67,380)
	7,180,914	7,888,465	$ 7,783,255	$ 105,210
Expenditures				
Instruction	437,183	43,249	684,904	$ (641,655)
Student Support Services	0	3,224	0	3,224
Instructional Support Staff	342,991	41,670	500,000	(458,330)
General Administration	17,700	0	50,000	(50,000)
Operations & Maintenance	2,348,659	2,826,376	2,806,500	19,876
Student Transportation Services	0	(105,301)	0	(105,301)
Other Support Services	0	0	210,000	(210,000)
Facility Acquisition & Construction Services	122,563	150,332	0	150,332
Transfers	4,062,785	4,917,576	3,720,000	1,197,576
Adjustment to Comply with Legal Max	0	0	(94,278)	94,278
	7,331,881	7,877,126	$ 7,877,126	$ 0
Receipts Over (Under) Expenditures	(150,967)	11,339		
Unencumbered Cash, Beginning	239,301	88,334		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 88,334	$ 99,673		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 197,577	$ 237,529	$ 238,000	$ (471)
	197,577	237,529	$ 238,000	$ (471)
Expenditures				
Instruction	197,577	237,529	$ 238,000	$ (471)
	197,577	237,529	$ 238,000	$ (471)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 6,610,200	$ 7,672,225	$ 7,400,000	$ 272,225
	6,610,200	7,672,225	$ 7,400,000	$ 272,225
Expenditures				
Instruction	6,111,004	7,671,409	$ 7,620,469	$ 50,940
School Administration	0	0	258,000	(258,000)
Student Transportation Services	12	0	25,000	(25,000)
	6,111,016	7,671,409	$ 7,903,469	$ (232,060)
Receipts Over (Under) Expenditures	499,184	816		
Unencumbered Cash, Beginning	0	499,184		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 499,184	$ 500,000		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 176,833	$ 264,500	$ 214,500	$ 50,000
	176,833	264,500	$ 214,500	$ 50,000
Expenditures				
Instruction	176,833	214,500	$ 214,500	$ 0
	176,833	214,500	$ 214,500	$ 0
Receipts Over (Under) Expenditures	0	50,000		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 50,000		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Virtual Education Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 180,906	$ 127,543	$ 250,000	$ (122,457)
	180,906	127,543	$ 250,000	$ (122,457)
Expenditures				
Instruction	119,675	128,774	$ 311,231	$ (182,457)
	119,675	128,774	$ 311,231	$ (182,457)
Receipts Over (Under) Expenditures	61,231	(1,231)		
Unencumbered Cash, Beginning	0	61,231		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 61,231	$ 60,000		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 1,358,168	$ 1,552,041	$ 1,006,467	$ 545,574
County Sources	112,798	113,616	106,734	6,882
State Sources	739,383	873,222	874,135	(913)
	2,210,349	2,538,879	$ 1,987,336	$ 551,543
Expenditures				
Instruction	276,183	206,055	$ 300,000	$ (93,945)
Student Support Services	5,074	10,192	10,000	192
Instructional Support Staff	139,991	209,591	197,757	11,834
Operations & Maintenance	1,665,230	983,383	1,925,000	(941,617)
Other Support Services	127,968	44,818	150,000	(105,182)
Facility Acquisition & Construction Services	830,872	731,083	567,000	164,083
	3,045,318	2,185,122	$ 3,149,757	$ (964,635)
Receipts Over (Under) Expenditures	(834,969)	353,757		
Unencumbered Cash, Beginning	1,513,360	678,391		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 678,391	$ 1,032,148		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 0	$ 16,306	$ 0	$ 16,306
State Sources	8,120	9,715	8,100	1,615
Transfers	50,000	0	70,000	(70,000)
	58,120	26,021	$ 78,100	$ (52,079)
Expenditures				
Instruction	31,689	25,570	$ 141,631	$ (116,061)
Vehicle Operations, Maintenance Services	100	848	0	848
	31,789	26,418	$ 141,631	$ (115,213)
Receipts Over (Under) Expenditures	26,331	(397)		
Unencumbered Cash, Beginning	37,200	63,531		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 63,531	$ 63,134		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Food Service Fund		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 256,277	$ 199,929	$ 261,157	$ (61,228)
State Sources	14,913	14,622	11,497	3,125
Federal Sources	1,898,765	1,745,917	1,619,550	126,367
Transfers	764	79	1,500	(1,421)
	2,170,719	1,960,547	$ 1,893,704	$ 66,843
Expenditures				
Operations & Maintenance	34,235	64,468	$ 40,200	$ 24,268
Food Service Operation	1,768,137	2,231,535	3,277,526	(1,045,991)
	1,802,372	2,296,003	$ 3,317,726	$ (1,021,723)
Receipts Over (Under) Expenditures	368,347	(335,456)		
Unencumbered Cash, Beginning	1,054,269	1,422,616		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 1,422,616	$ 1,087,160		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 4,729	$ 5,132	$ 17,250	$ (12,118)
Transfers	46,606	125,000	20,000	105,000
	51,335	130,132	$ 37,250	$ 92,882
Expenditures				
Instructional Support Staff	41,335	38,591	$ 162,250	$ (123,659)
	41,335	38,591	$ 162,250	$ (123,659)
Receipts Over (Under) Expenditures	10,000	91,541		
Unencumbered Cash, Beginning	115,000	125,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 125,000	$ 216,541		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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)

Summer School Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Transfers	$ 50,000	$ 0	$ 100,000	$ (100,000)
	50,000	0	$ 100,000	$ (100,000)
Expenditures				
Instruction	1,856	944	$ 198,144	$ (197,200)
	1,856	944	$ 198,144	$ (197,200)
Receipts Over (Under) Expenditures	48,144	(944)		
Unencumbered Cash, Beginning	50,000	98,144		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 98,144	$ 97,200		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Special Education Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Federal Sources	$ 0	$ 80,035	$ 0	$ 80,035
Transfers	5,058,544	4,788,327	5,150,000	(361,673)
	5,058,544	4,868,362	$ 5,150,000	$ (281,638)
Expenditures				
Instruction	4,762,434	4,787,439	$ 5,782,875	$ (995,436)
Student Support Services	0	0	163,000	(163,000)
Student Transportation Services	69,271	81,798	145,000	(63,202)
	4,831,705	4,869,237	$ 6,090,875	$ (1,221,638)
Receipts Over (Under) Expenditures	226,839	(875)		
Unencumbered Cash, Beginning	714,036	940,875		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 940,875	$ 940,000		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 653,220	$ 703,051	$ 850,000	$ (146,949)
	653,220	703,051	$ 850,000	$ (146,949)
Expenditures				
Instruction	653,279	753,045	$ 950,000	$ (196,955)
	653,279	753,045	$ 950,000	$ (196,955)
Receipts Over (Under) Expenditures	(59)	(49,994)		
Unencumbered Cash, Beginning	100,059	100,000		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 100,000	$ 50,006		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
State Sources	$ 3,131,411	$ 3,071,458	$ 3,538,494	$ (467,036)
	3,131,411	3,071,458	$ 3,538,494	$ (467,036)
Expenditures				
Instruction	2,150,630	2,099,823	$ 2,355,146	$ (255,323)
Student Support Services	148,575	135,714	176,500	(40,786)
Instructional Support Staff	173,675	175,080	211,000	(35,920)
General Administration	80,539	87,272	90,000	(2,728)
School Administration	234,833	256,795	270,500	(13,705)
Central Services	16,162	17,640	18,000	(360)
Operations & Maintenance	199,480	207,221	253,120	(45,899)
Student Transportation Services	96,966	68,447	129,300	(60,853)
Food Service Operation	30,551	23,466	34,928	(11,462)
	3,131,411	3,071,458	$ 3,538,494	$ (467,036)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 0	$ 0		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Recreation Commission Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 618,834	$ 693,237	$ 649,602	$ 43,635
County Sources	70,936	71,395	68,793	2,602
	689,770	764,632	$ 718,395	$ 46,237
Expenditures				
Community Service Operations	640,319	700,429	$ 700,429	$ 0
	640,319	700,429	$ 700,429	$ 0
Receipts Over (Under) Expenditures	49,451	64,203		
Unencumbered Cash, Beginning	16,115	65,566		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 65,566	$ 129,769		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Recreation Commission Employee Benefits & Special Liability Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 151,472	$ 125,408	$ 116,735	$ 8,673
County Sources	21,157	18,991	18,282	709
	172,629	144,399	$ 135,017	$ 9,382
Expenditures				
Community Service Operations	160,000	170,000	$ 170,000	$ 0
	160,000	170,000	$ 170,000	$ 0
Receipts Over (Under) Expenditures	12,629	(25,601)		
Unencumbered Cash, Beginning	43,849	56,478		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 56,478	$ 30,877		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

Bond & Interest Fund	Prior Year Actual	Current Year Actual	Current Year Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	$ 1,560,924	$ 1,599,825	$ 1,498,097	$ 101,728
County Sources	171,668	179,224	172,720	6,504
State Sources	4,838,348	5,316,360	5,316,360	0
	6,570,940	7,095,409	$ 6,987,177	$ 108,232
Expenditures				
Debt Service	6,728,321	6,729,569	$ 6,729,569	$ 0
	6,728,321	6,729,569	$ 6,729,569	$ 0
Receipts Over (Under) Expenditures	(157,381)	365,840		
Unencumbered Cash, Beginning	5,309,176	5,151,795		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	$ 5,151,795	$ 5,517,635		

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 5,530,077	$ 5,852,874
	5,530,077	5,852,874
Expenditures		
Instruction	5,132,195	5,172,882
Student Support Services	140,639	206,634
Instructional Support Staff	237,565	27,901
General Administration	72,902	90,552
School Administration	144,757	162,094
Operations & Maintenance	61,861	210,392
Student Transportation Services	19,695	30,088
Food Service Operation	6,358	6,030
Community Service Operations	4,500	0
	5,820,472	5,906,573
Receipts Over (Under) Expenditures	(290,395)	(53,699)
Unencumbered Cash, Beginning	(111,437)	(400,330)
Prior Year Canceled Encumbrances	1,502	0
Unencumbered Cash, Ending	$ (400,330)	$ (454,029)

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 100,096	$ 80,000
State Sources	48,837	41,185
	148,933	121,185
Expenditures		
Instruction	136,478	53,844
Instructional Support Staff	51,989	8,686
Central Services	48,837	64,655
	237,304	127,185
Receipts Over (Under) Expenditures	(88,371)	(6,000)
Unencumbered Cash, Beginning	277,473	189,102
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 189,102	$ 183,102

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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		
Transfers	0	0
	0	0
Receipts Over (Under) Expenditures	0	100,000
Unencumbered Cash, Beginning	300,000	300,000
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 300,000	$ 400,000

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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	$ 2,510	$ 3,797
Transfers	45,000	146,834
	47,510	150,631
Expenditures		
Instruction	38,349	97,089
Support Services	8,013	11,553
	46,362	108,642
Receipts Over (Under) Expenditures	1,148	41,989
Unencumbered Cash, Beginning	301,004	302,152
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	$ 302,152	$ 344,141

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Prom	$ 3,347	$ 8,067	$ 6,737	$ 4,677
ACHS Native American Club	516	0	0	516
Musical	839	7,383	6,433	1,789
A.C. Players Club	(33)	146	50	63
ACHS Tennis Club	679	2,909	1,934	1,654
Spring Play	1,726	2,674	1,896	2,504
Basketball Club	3,336	9,783	8,182	4,937
ACHS Spike Ball Club	554	252	10	796
Multicultural Club	1,073	517	501	1,089
Cheerleaders	5,090	11,301	14,863	1,528
21st Century Leadership	541	0	0	541
Restoration Fund	100	0	0	100
FCA	3,530	1,190	834	3,886
Golf Club	1,566	1,199	1,263	1,502
Weight Lifting	949	0	0	949
In Housing Training	3,977	528	2,550	1,955
Kay's	1,572	2,555	2,790	1,337
NFL	763	30	386	407
NHS	345	5,280	4,929	696
Orchestra	0	157	113	44
ACHS Danceline	2,725	10,206	9,995	2,936
Cross Country	2,306	1,555	2,357	1,504
SADD	8,234	4,389	2,721	9,902
DAWGS 4 DAWGS	48	0	0	48
Special Club	2	0	0	2
Stuco	936	7,494	6,707	1,723
Track Club	2,137	4,599	5,245	1,491
	46,858	82,214	80,496	48,576

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School (Continued)				
Skill USA/VICA	1,643	1,570	2,110	1,103
Engineering Club	1,875	2,430	1,562	2,743
Vocal Music	5,515	24,287	18,911	10,891
Hope Squad	703	594	560	737
Girls Soccer Club	353	2,898	72	3,179
Scholar's Bowl	148	248	0	396
Volleyball Club	3,093	4,659	5,692	2,060
Flag Color Guard	640	190	511	319
Community Base Instruction	12	0	0	12
Bill Weston Woods Memorial	224	0	0	224
Girls Softball Club	3,388	5,139	6,109	2,418
Baseball Club	4,158	10,591	14,588	161
Industrial Tech SMA	70	2,990	3,060	0
Returned Checks	13	108	104	17
Bull Live	324	0	0	324
Health Sciences Club	1,324	0	0	1,324
Animation Club	949	0	0	949
Wrestling	1,666	21,987	22,925	728
Football	11,654	14,163	18,451	7,366
ACHS Travel Club	498	0	0	498
Boys Soccer Club	1,726	2,960	1,816	2,870
FCCLA	141	115	81	175
FBLA	2,278	345	930	1,693
Girls Basketball Club	3,313	2,920	4,212	2,021
Bulldog Band Club	5,477	17,313	18,961	3,829
Freshman Academy	443	0	0	443
Gay/Straight Alliance	868	254	170	952
Class of 2020	1,346	0	0	1,346
Class of 2017	730	0	0	730
Class of 2015	205	0	0	205
Class of 2016	1,242	0	0	1,242
	56,019	115,761	120,825	50,955

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School (Continued)				
Class of 2019	1,841	0	0	1,841
Class of 2024	2,137	0	1,537	600
Class of 2028	357	0	357	0
Class of 2018	1,403	0	0	1,403
Class of 2021	1,691	0	76	1,615
Class of 2022	1,229	0	0	1,229
Class of 2023	1,024	755	0	1,779
Class of 2026	1,039	0	0	1,039
Class of 2025	7,445	249	0	7,694
Driver Education	7,906	8,400	16,306	0
Purple Pride	4,568	0	0	4,568
Historical Room	369	0	0	369
Horticulture	832	0	0	832
School Counts	835	0	0	835
Student Benevolence	71	0	0	71
Arklight	49	0	0	49
FFA	12,488	59,075	56,464	15,099
Mirror	1,227	9,971	8,565	2,633
Sales Tax	2,159	17,894	18,036	2,017
Iden Scholarship	3,512	74	1,000	2,586
Jackson Memorial	915	21	0	936
Home Economics Scholarship	899	20	0	919
Industrial Tech Scholarship	10,209	229	0	10,438
Kays Scholarship	20	0	0	20
Childers/Blatchford FFA	16,523	372	0	16,895
Amos & Mary Davis Scholarship	1	0	0	1
Jodi Sanderholm	8	2,000	2,000	8
Rhett Lathers M	12,765	0	12,765	0
Welding SMA	0	746	746	0
Music Festival	1,454	2,603	2,117	1,940
	197,853	300,384	321,290	176,947

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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
Middle School				
Cheerleaders	322	55	340	37
Instrument Rent Fees	450	0	0	450
Kay's Account	1,890	10,884	11,814	960
Class of 2022	0	370	0	370
Class of 2023	0	370	0	370
Class of 2024	0	370	0	370
Art Club	2	0	0	2
Miscellaneous Account	1,863	797	50	2,610
Music Instrumental/Vocal	260	2,054	1,814	500
Parent Group	51	0	0	51
7th/8th Grade Sewing Kits	74	2,302	2,206	170
Student Activities	803	0	0	803
Student Council	1,724	3,053	2,936	1,841
Crimestoppers Program	174	0	0	174
Library Book Fairs	1,253	5,198	3,411	3,040
Principals Activity Fund	1,397	8,446	9,731	112
FCA	5,635	2,798	2,052	6,381
Student Welfare Account	868	0	99	769
Orchestra	53	3,831	2,656	1,228
SADD	1,709	1,850	290	3,269
Faculty Fund	22	0	0	22
Athletics	1,202	17,513	14,085	4,630
Sales Tax	(1,067)	1,274	1,356	(1,149)
	18,685	61,165	52,840	27,010
Endowment Funds	79,023	6,535	5,807	79,751
Total Agency Funds	$ 295,561	$ 368,084	$ 379,937	$ 283,708

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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
Arkansas City High School							
Activities	$ 54,251	$ 0	$ 400,660	$ 392,249	$ 62,662	$ 0	$ 62,662
Athletics	6,290	0	150,850	155,291	1,849	0	1,849
Library Copies	865	0	0	121	744	0	744
Total District Activity Funds	$ 61,406	$ 0	$ 551,510	$ 547,661	$ 65,255	$ 0	$ 65,255

FEDERAL AWARD INFORMATION

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

Board of Education
Arkansas City Unified School District No. 470
Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas**, as of and for the year ended **June 30, 2024**, and the related notes to the financial statement, which collectively comprise **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** basic financial statement, and have issued our report thereon dated November 5, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** internal control.

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

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Board of Education
Arkansas City Unified School District No. 470

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 **Arkansas City Unified School District No. 470, Arkansas City, 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
November 5, 2024

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

Board of Education
Arkansas City Unified School District No. 470
Arkansas City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** major federal programs for the year ended **June 30, 2024**. **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** compliance with the compliance requirements referred to above.

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Board of Education
Arkansas City Unified School District No. 470

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 **Arkansas City Unified School District No. 470, Arkansas City, Kansas'** major federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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
Arkansas City Unified School District No. 470

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
November 5, 2024

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Grant Title	Assistance Listing Number	Program Amount	Expenditures
Department of Health and Human Services			
Head Start Cluster-Cluster			
Head Start	93.600	$ 1,913,902	$ 1,940,009
(Passes Through Kansas Department of Education)			
Department of Agriculture			
Child Nutrition Cluster-Cluster			
School Breakfast Program	10.553	464,233	464,233
National School Lunch Program	10.555	1,061,030	1,517,356
Summer Food Service Program for Children	10.559	83,814	83,814
		1,609,077	2,065,403
Child and Adult Care Food Program	10.558	136,840	136,840
		1,745,917	2,202,243
Department of Education			
Title I Grants to Local Educational Agencies	84.010	831,448	831,448
Career and Technical Education - Basic Grants to States	84.048	59,141	59,266
English Language Acquisition State Grants	84.365	60,702	60,702
Supporting Effective Instruction State Grants	84.367	115,007	115,007
Student Support and Academic Enrichment Program	84.424	53,160	53,160
COVID-19 Education Stabilization Fund	84.425D	80,035	80,035
COVID-19 Education Stabilization Fund	84.425U	2,806,333	2,603,558
COVID-19 Education Stabilization Fund	84.425W	13,181	13,181
		4,019,007	3,816,357
Total Federal Awards		$ 7,678,826	$ 7,958,609

The accompanying notes are an integral part of this schedule.

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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 **Arkansas City Unified School District No. 470, Arkansas City, 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.

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
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 **Arkansas City Unified School District No. 470, Arkansas City, 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 **Arkansas City Unified School District No. 470, Arkansas City, 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 programs for **Arkansas City Unified School District No. 470, Arkansas City, Kansas**, expresses an unmodified opinion on all major federal programs.

6. There were no audit findings relative to the major federal award programs for **Arkansas City Unified School District No. 470, Arkansas City, Kansas**.

7. The programs tested as major programs were:

Title I Grants to Local Educational Agencies	84.010
COVID-19 Education Stabilization Fund	84.425D
COVID-19 Education Stabilization Fund	84.425U
COVID-19 Education Stabilization Fund	84.425W

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

9. **Arkansas City Unified School District No. 470, Arkansas City, Kansas**, was determined not to be a low-risk auditee.

ARKANSAS CITY UNIFIED SCHOOL DISTRICT NO. 470
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

There are no prior audit findings.