UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
and
UNIFORM GUIDANCE REPORTS

YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 215
Lakin, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 215, 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 Unified School District No. 215, 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 balances of Unified School District No. 215, 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 A.

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* issued by the Comptroller General of the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. 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 Unified School District No. 215 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note A of the financial statement, the financial statement is prepared by Unified School District No. 215 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 A 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 A; 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, which raise substantial doubt about Unified School District No. 215'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 judgement 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 Unified School District No. 215'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, which raise substantial doubt about Unified School District No. 215's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for additional analysis as required by the Title *2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 215 as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated January 24, 2024, 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 website of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures 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 A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have issued our report dated January 3, 2025, on our consideration of Unified School District No. 215'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 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 Unified School District No. 215's internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

January 3, 2025

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2024

Funds	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General funds:		
General	$ -	$ -
Supplemental general	246,222	-
Total general funds	246,222	-
Special purpose funds:		
Capital outlay	799,451	-
Driver training	74,342	-
At-risk (K-12)	304,596	-
Food service	144,024	-
Professional development	-	-
Preschool-aged at-risk	-	-
Special education	-	-
Career and postsecondary education	-	-
Bilingual	173	-
Recreation commission	-	-
Recreation commission special liability	-	-
KPERS retirement contributions	-	-
Contingency reserve	344,706	-
Textbook and student materials revolving	156,369	-
Gifts and grants	63,468	-
Title I	19,001	-
Title IVA student support and academic enrichment	-	-
Title IIA supporting effective instruction	-	-
Federal REAP grant	-	-
Migrant program	-	-
Daycare	-	-
ESSER III	(27,374)	-
District activity funds	59,722	-
Total special purpose funds	1,938,478	-
Total Unified School District No. 215 (excluding agency funds)	$ 2,184,700	$ -

Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
$ 5,996,044	$ 5,996,044	$ -	$ -	$ -
1,909,560	1,915,891	239,891	11,173	251,064
7,905,604	7,911,935	239,891	11,173	251,064
940,832	555,911	1,184,372	15,404	1,199,776
-	56,449	17,893	-	17,893
1,208,041	1,277,892	234,745	-	234,745
368,977	382,664	130,337	36,110	166,447
20,855	20,855	-	-	-
70,260	20,352	49,908	-	49,908
649,768	649,768	-	-	-
230,000	230,000	-	-	-
154,168	95,812	58,529	-	58,529
425,879	403,942	21,937	-	21,937
81,709	80,788	921	-	921
640,780	640,780	-	-	-
155,294	-	500,000	-	500,000
65,049	26,766	194,652	-	194,652
23,312	11,573	75,207	-	75,207
134,165	153,166	-	-	-
16,822	16,822	-	-	-
18,879	18,879	-	-	-
28,559	28,559	-	-	-
92,800	92,800	-	-	-
207,893	65,964	141,929	-	141,929
171,162	143,788	-	-	-
95,651	113,398	41,975	-	41,975
5,800,855	5,086,928	2,652,405	51,514	2,703,919
$ 13,706,459	$ 12,998,863	$ 2,892,296	$ 62,687	$ 2,954,983

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2024

	Ending cash balance
Composition of cash balance:	
Money market accounts	$ 2,922,319
Demand deposits of activity funds	124,385
Total cash	3,046,704
Agency funds	(91,721)
Total Unified School District No. 215 (excluding agency funds)	$ 2,954,983

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

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

NOTES TO THE FINANCIAL STATEMENT

June 30, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

   Unified School District No. 215 is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. This financial statement does not include the following related municipal entity:

   Lakin Recreation Commission. The Commission oversees recreational activities. Four of the five members of the governing board are appointed by the Board of Education. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

   The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

   REGULATORY BASIS FUND TYPES

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

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

   Agency funds – used to report assets held by the municipal financial reporting entity in a purely custodial capacity (i.e. student organization funds, etc.).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

4. Budgetary Information

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

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

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

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

d. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The following budgets were amended in the current year:

Fund	Original budget	Amended budget
General	$ 5,986,032	$ 6,023,174
At-risk (K-12)	1,475,478	1,499,015
Bilingual	88,531	95,812

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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 receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality 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 state and federal grant funds, district activity funds, agency funds, and the following special purpose funds:

Contingency Reserve	Textbook and Student Materials Revolving
Gifts and Grants	Daycare

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.

B. DEPOSITS AND INVESTMENTS

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.

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. All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $3,046,704 and the bank balance was $3,656,442. Of the bank balance, $250,000 was covered by federal depository insurance and $3,406,442 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

C. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions	Reductions/ net change	Balance end of year	Interest paid
Finance leases:					
Kitchen equipment: Issued June 12, 2018 In the amount of $600,000 At interest rates of 3.68% Maturing August 1, 2023	$ 65,458	$ -	$ 65,458	$ -	$ 1,211
Equipment: Issued May 10, 2021 In the amount of $1,900,000 At interest rates of 2.40% Maturing August 1, 2031	1,651,875	-	177,407	1,474,468	38,587
iPads: Issued January 2, 2023 In the amount of $137,883 At interest rates of 1.19% Maturing January 2, 2025	91,377	-	45,418	45,959	1,087
Total	$1,808,710	$ -	$ 288,283	$1,520,427	$ 40,885

Current maturity of finance leases and interest for the next five years and through maturity are as follows:

	Principal due	Interest due	Total due
2025	$ 227,649	$ 34,851	$ 262,500
2026	186,077	29,917	215,994
2027	190,570	25,424	215,994
2028	195,171	20,823	215,994
2029	199,883	16,111	215,994
2030-2032	521,077	18,908	539,985
Total	$ 1,520,427	$ 146,034	$ 1,666,461

D. OPERATING LEASES

The District has entered into operating lease agreements for copier rental and maintenance. Rental and maintenance payments for the current year totaled $23,111. The operating lease agreement expires in the year 2026.

The following is a yearly schedule of future minimum rental payments under the operating lease:

2025	$ 23,111
2026	7,113
Total	$ 30,224

E. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
HVAC Upgrades	$ 651,453	$ 651,453	$ -
Grade School Intercom	103,375	31,012	72,363
Grade School Playground Project	167,442	167,442	-
Total	$ 922,270	$ 849,907	$ 72,363

F. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Amount	Regulatory Authority
General fund	Capital outlay fund	$ 98,629	K.S.A. 72-5167
General fund	At-risk (K-12) fund	938,227	K.S.A. 72-5167
General fund	Professional development fund	15,000	K.S.A. 72-5167
General fund	Preschool-aged at risk fund	45,000	K.S.A. 72-5167
General fund	Special education fund	623,671	K.S.A. 72-5167
General fund	Career and postsecondary education fund	149,202	K.S.A. 72-5167
General fund	Bilingual fund	100,000	K.S.A. 72-5167
General fund	Contingency reserve fund	155,294	K.S.A. 72-5167
Total general fund		2,125,023	
Supplemental general fund	At-risk (K-12) fund	247,533	K.S.A. 72-5143
Supplemental general fund	Food service fund	1,343	K.S.A. 72-5143
Supplemental general fund	Professional development fund	3,198	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	80,798	K.S.A. 72-5143
Supplemental general fund	Bilingual fund	54,168	K.S.A. 72-5143
Total supplemental general fund		387,040	
Total operating transfers		$2,512,063	

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

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.

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 was set at 1% for the year ended June 30, 2024.

Section 125 plan. The District offers a Section 125 flexible benefit plan to all eligible employees. It is used for insurance premiums, other medical costs, and childcare costs. The plan is administered by an independent company. The District withholds the amounts from the employee's paycheck and remits the withholdings to the plan administrator.

Compensated absences. The District's policy grants employees on twelve-month contracts ten days of vacation per year. Discretionary leave of twelve days is credited annually to each full time employee and days not used may accumulate to a total of 60 days. Certified employees also receive two additional days reduced by a $110 per day substitute deduction. When certain conditions are met, accumulated vacation time is paid to the employee upon retirement. Certified employees retiring under KPERS are eligible to receive $50 per day for accumulated sick leave, and classified employees retiring under KPERS are eligible to receive $35 per day for accumulated sick leave.

H. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report, which can be found on the KPERS website at www.kpers.org, 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.

H. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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 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 $640,780 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 $5,978,769. 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 the 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.

I. 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 injuries to employees. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

J. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and 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 this financial statement.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 3, 2025, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024

Funds	Certified budget	Adjustment to comply with legal maximum budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General funds:						
General	$ 6,023,174	$ (29,510)	$ 2,380	$ 5,996,044	$ 5,996,044	$ -
Supplemental general	1,915,891	-	-	1,915,891	1,915,891	-
Special purpose funds:						
Capital outlay	2,098,615	-	-	2,098,615	555,911	1,542,704
Driver training	82,367	-	-	82,367	56,449	25,918
At-risk (K-12)	1,499,015	-	-	1,499,015	1,277,892	221,123
Food service	516,191	-	-	516,191	382,664	133,527
Professional development	21,750	-	-	21,750	20,855	895
Preschool-aged at-risk	20,352	-	-	20,352	20,352	-
Special education	679,000	-	-	679,000	649,768	29,232
Career and postsecondary education	230,000	-	-	230,000	230,000	-
Bilingual	95,812	-	-	95,812	95,812	-
Recreation commission	403,942	-	-	403,942	403,942	-
Recreation commission special liability	80,788	-	-	80,788	80,788	-
KPERS retirement contributions	712,582	-	-	712,582	640,780	71,802
	$ 14,379,479	$ (29,510)	$ 2,380	$ 14,352,349	$ 12,327,148	$ 2,025,201

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 6,256	$ 2,380	$ -	$ 2,380
State sources:				
State aid	5,149,658	5,574,842	5,511,848	62,994
Special education aid	372,204	381,510	411,326	(29,816)
Mineral production tax	120,336	37,312	100,000	(62,688)
Total receipts	5,648,454	5,996,044	$ 6,023,174	$ (27,130)
Expenditures:				
Instruction	2,814,740	2,544,516	$ 2,938,319	$ 393,803
Student support services	1,453	303	2,000	1,697
Instructional support staff	2,440	2,577	5,000	2,423
General administration	407,062	440,681	437,000	(3,681)
School administration	543,645	583,432	587,500	4,068
Operations and maintenance	65,339	55,753	71,500	15,747
Student transportation services:				
Vehicle operating services	135,417	141,716	153,075	11,359
Vehicle and maintenance services	102,005	102,043	120,550	18,507
Operating transfers	1,576,353	2,125,023	1,708,230	(416,793)
Adjustment to comply with legal maximum budget	-	-	(29,510)	(29,510)
Legal maximum budget	5,648,454	5,996,044	5,993,664	(2,380)
Adjustment for qualifying budget credit	-	-	2,380	2,380
Total expenditures	5,648,454	5,996,044	$ 5,996,044	$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 22,906	$ 20,805	$ 10,208	$ 10,597
Current tax	1,055,290	1,180,786	980,977	199,809
Delinquent tax	13,023	7,213	13,667	(6,454)
Motor vehicle tax and recreational vehicle tax	106,779	97,442	75,916	21,526
Federal aid	16,922	-	-	-
State aid	591,240	603,314	603,314	-
Other	-	-	243	(243)
Total receipts	1,806,160	1,909,560	$ 1,684,325	$ 225,235
Expenditures:				
Instruction	137,931	240,893	$ 140,000	$ (100,893)
General administration	237,374	266,971	257,000	(9,971)
School administration	3,226	-	5,000	5,000
Operations and maintenance	956,529	1,015,474	1,056,494	41,020
Student transportation services:				
Vehicle and maintenance services	721	5,513	-	(5,513)
Community service operations	37,049	-	-	-
Operating transfers	377,933	387,040	457,397	70,357
Total expenditures	1,750,763	1,915,891	$ 1,915,891	$ -
Receipts over (under) expenditures	55,397	(6,331)		
Unencumbered cash, beginning of year	190,825	246,222		
Unencumbered cash, end of year	$ 246,222	$ 239,891		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 8,657	$ 12,529	$ 3,180	$ 9,349
Current tax	638,755	627,725	517,046	110,679
Delinquent tax	5,311	3,605	8,234	(4,629)
Motor vehicle tax and recreational vehicle tax	39,310	42,890	34,144	8,746
Federal aid	444,396	-	-	-
State aid	169,782	-	-	-
Interest	78,036	152,072	85,000	67,072
Other	72,101	3,382	107	3,275
Transfer from general fund	-	98,629	-	98,629
Total receipts	1,456,348	940,832	$ 647,711	$ 293,121
Expenditures:				
Instruction	62,385	3,254	$ 100,000	$ 96,746
General administration	24,692	15,839	30,000	14,161
School administration	-	11,058	-	(11,058)
Operations and maintenance	45,679	52,454	55,000	2,546
Transporation	-	56,449	-	(56,449)
Other support services	57,325	-	-	-
Facility acquisition and construction services	946,292	134,194	1,450,000	1,315,806
Debt service:				
Principal	300,557	242,865	400,000	157,135
Interest	48,776	39,798	63,615	23,817
Total expenditures	1,485,706	555,911	$ 2,098,615	$ 1,542,704
Receipts over (under) expenditures	(29,358)	384,921		
Unencumbered cash, beginning of year	817,745	799,451		
Prior year canceled encumbrances	11,064	-		
Unencumbered cash, end of year	$ 799,451	$ 1,184,372		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 4,200	$ -	$ 4,725	$ (4,725)
Other	-	-	3,300	(3,300)
Total receipts	4,200	-	$ 8,025	$ (8,025)
Expenditures:				
Instruction	1,236	56,449	$ 82,367	$ 25,918
Receipts over (under) expenditures	2,964	(56,449)		
Unencumbered cash, beginning of year	71,378	74,342		
Unencumbered cash, end of year	$ 74,342	$ 17,893		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

AT-RISK (K-12) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 37,544	$ 19,710	$ -	$ 19,710
Other	6,862	2,571	10,000	(7,429)
Transfer from general fund	845,627	938,227	938,227	-
Transfer from supplemental general fund	221,411	247,533	246,192	1,341
Total receipts	1,111,444	1,208,041	$ 1,194,419	$ 13,622
Expenditures:				
Instruction	818,203	1,277,892	$ 1,499,015	$ 221,123
Receipts over (under) expenditures	293,241	(69,851)		
Unencumbered cash, beginning of year	11,355	304,596		
Unencumbered cash, end of year	$ 304,596	$ 234,745		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Charges for services	$ 98,106	$ 83,120	$ 90,250	$ (7,130)
Federal aid	300,910	281,555	275,428	6,127
State aid	3,067	2,959	2,432	527
Transfer from supplemental general fund	5,121	1,343	-	1,343
Transfer from contingency reserve fund	3,017	-	-	-
Total receipts	410,221	368,977	$ 368,110	$ 867
Expenditures:				
Operations and maintenance	(198)	-	$ -	$ -
Food service operations	396,086	382,664	516,191	133,527
Total expenditures	395,888	382,664	$ 516,191	$ 133,527
Receipts over (under) expenditures	14,333	(13,687)		
Unencumbered cash, beginning of year	129,691	144,024		
Unencumbered cash, end of year	$ 144,024	$ 130,337		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 3,145	$ 2,657	$ 6,750	$ (4,093)
Transfer from general fund	-	15,000	15,000	-
Transfer from supplemental general fund	-	3,198	-	3,198
Total receipts	3,145	20,855	$ 21,750	$ (895)
Expenditures:				
Instructional support staff	3,145	9,646	$ 21,750	$ 12,104
Central services	-	11,209	-	(11,209)
Total expenditures	3,145	20,855	$ 21,750	$ 895
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

PRESCHOOL-AGED AT-RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Tuition	$ 16,800	$ 25,260	$ 20,352	$ 4,908
Transfer from general fund	-	45,000	-	45,000
Total receipts	16,800	70,260	$ 20,352	$ 49,908
Expenditures:				
Instruction	17,120	20,352	$ 20,352	$ -
Receipts over (under) expenditures	(320)	49,908		
Unencumbered cash, beginning of year	320	-		
Unencumbered cash, end of year	$ -	$ 49,908		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 39,487	$ 26,097	$ 30,000	$ (3,903)
Transfer from general fund	602,434	623,671	615,000	8,671
Transfer from supplemental general fund	-	-	34,000	(34,000)
Total receipts	641,921	649,768	$ 679,000	$ (29,232)
Expenditures:				
Instruction	641,921	649,768	$ 679,000	$ 29,232
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 345	$ -	$ -	$ -
Transfer from general fund	75,959	149,202	80,000	69,202
Transfer from supplemental general fund	125,220	80,798	150,000	(69,202)
Total receipts	201,524	230,000	$ 230,000	$ -
Expenditures:				
Instruction	201,524	230,000	$ 230,000	$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

BILINGUAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general fund	$ 52,333	$ 100,000	$ 60,003	$ 39,997
Transfer from supplemental general fund	26,181	54,168	35,636	18,532
Total receipts	78,514	154,168	$ 95,639	$ 58,529
Expenditures:				
Instruction	78,341	95,812	$ 95,812	$ -
Receipts over (under) expenditures	173	58,356		
Unencumbered cash, beginning of year	-	173		
Unencumbered cash, end of year	$ 173	$ 58,529		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ 5,409	$ 7,815	$ 3,335	$ 4,480
Current tax	397,092	389,036	323,154	65,882
Delinquent tax	3,287	2,247	5,136	(2,889)
Motor vehicle tax and recreational vehicle tax	24,566	26,781	20,886	5,895
Other	-	-	51,438	(51,438)
Total receipts	430,354	425,879	$ 403,949	$ 21,930
Expenditures:				
Community service operations	465,209	403,942	$ 403,942	$ -
Receipts over (under) expenditures	(34,855)	21,937		
Unencumbered cash, beginning of year	34,855	-		
Unencumbered cash, end of year	$ -	$ 21,937		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

RECREATION COMMISSION SPECIAL LIABILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	$ -	$ 1,565	$ 675	$ 890
Current tax	79,587	77,823	64,627	13,196
Delinquent tax	22	286	1,030	(744)
Motor vehicle tax and recreational vehicle tax	1	2,035	1,597	438
Other	-	-	12,859	(12,859)
Total receipts	79,610	81,709	$ 80,788	$ 921
Expenditures:				
Community service operations	79,625	80,788	$ 80,788	$ -
Receipts over (under) expenditures	(15)	921		
Unencumbered cash, beginning of year	15	-		
Unencumbered cash, end of year	$ -	$ 921		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

KPERS RETIREMENT CONTRIBUTIONS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		2024		
	2023	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 672,247	$ 640,780	$ 712,582	$ (71,802)
Expenditures:				
Instruction	494,643	468,180	$ 526,028	$ 57,848
Student support services	1,405	2,900	-	(2,900)
Instructional support staff	171	2,043	-	(2,043)
General administration	29,909	29,527	32,066	2,539
School administration	59,449	55,376	63,634	8,258
Operations and maintenance	55,433	57,736	60,284	2,548
Student transportation services	12,093	12,264	11,330	(934)
Food service operations	19,144	12,754	19,240	6,486
Total expenditures	672,247	640,780	$ 712,582	$ 71,802
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2024

	Contingency reserve	Textbook and student materials revolving	Gifts and grants	Title I
Receipts:				
Rental fees and books	$ -	$ 65,049	$ -	$ -
Federal aid	-	-	-	134,165
State aid	-	-	9,519	-
Contributions and donations	-	-	13,793	-
Tuition	-	-	-	-
Transfer from general fund	155,294	-	-	-
Total receipts	155,294	65,049	23,312	134,165
Expenditures:				
Instruction	-	26,766	11,573	153,166
Instructional support staff	-	-	-	-
Operation and maintenance	-	-	-	-
Community service operations	-	-	-	-
Total expenditures	-	26,766	11,573	153,166
Receipts over (under) expenditures	155,294	38,283	11,739	(19,001)
Unencumbered cash (deficit), beginning of year	344,706	156,369	63,468	19,001
Unencumbered cash, end of year	$ 500,000	$ 194,652	$ 75,207	$ -

See Independent Auditor's Report.

Title IVA student support and academic enrichment	Title IIA supporting effective instruction	Federal REAP grant	Migrant program	Daycare	ESSER III	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ 65,049
16,822	18,879	28,559	92,800	-	171,162	462,387
-	-	-	-	-	-	9,519
-	-	-	-	175,000	-	188,793
-	-	-	-	32,893	-	32,893
-	-	-	-	-	-	155,294
16,822	18,879	28,559	92,800	207,893	171,162	913,935
16,822	18,879	28,559	92,800	-	123,693	472,258
-	-	-	-	-	11,206	11,206
-	-	-	-	-	8,889	8,889
-	-	-	-	65,964	-	65,964
16,822	18,879	28,559	92,800	65,964	143,788	558,317
-	-	-	-	141,929	27,374	355,618
-	-	-	-	-	(27,374)	556,170
$ -	$ -	$ -	$ -	$ 141,929	$ -	$ 911,788

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2024

Funds	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
Gate receipts:						
High school	$ 285	$ 37,008	$ 37,293	$ -	$ -	$ -
Middle school	-	11,735	11,735	-	-	-
Subtotal gate receipts	285	48,743	49,028	-	-	-
School projects:						
High school:						
Student purchases	77	-	77	-	-	-
Concessions	1,427	33,073	34,500	-	-	-
Band	1,496	506	1,393	609	-	609
Drama	638	-	139	499	-	499
Special education	1,524	400	260	1,664	-	1,664
Vocal	5,955	198	321	5,832	-	5,832
Musical theatre	19	1,735	200	1,554	-	1,554
Yearbook	2,577	2,274	4,165	686	-	686
Library	396	175	-	571	-	571
Fees	18,160	2,426	5,145	15,441	-	15,441
Subtotal high school	32,269	40,787	46,200	26,856	-	26,856
Middle school:						
Library	8	-	-	8	-	8
Interrelated	417	400	334	483	-	483
Michaelis math	2,635	-	590	2,045	-	2,045
Redesign	1,416	-	225	1,191	-	1,191
Fifth grade Bell	-	50	48	2	-	2
Subtotal middle school	4,476	450	1,197	3,729	-	3,729
Elementary school:						
Library	309	2,033	1,788	554	-	554
KOC	5,033	800	583	5,250	-	5,250
Community kids club	2,867	-	2,867	-	-	-
Student activity and field trips	13,081	2,838	11,735	4,184	-	4,184
Recycle fund	1,217	-	-	1,217	-	1,217
Memorial fund	185	-	-	185	-	185
Subtotal elementary	22,692	5,671	16,973	11,390	-	11,390
Subtotal school projects	59,437	46,908	64,370	41,975	-	41,975
Total district activity funds	$ 59,722	$ 95,651	$ 113,398	$ 41,975	$ -	$ 41,975

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2024

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds:				
High school:				
Graphic design class	$ 164	$ -	$ 164	$ -
Cheerleaders	675	9,927	3,363	7,239
Senior class	417	5,497	3,928	1,986
Junior class	3,080	9,692	12,772	-
Soph class	495	-	495	-
National Honor Society	187	385	385	187
Spanish club	1,682	255	105	1,832
Student council	31	9,749	8,065	1,715
FCA	2,573	6,108	3,927	4,754
Scholar bowl club	2,535	755	481	2,809
Golf team	1,553	1,107	968	1,692
Science club	34	-	-	34
Softball team	986	1,929	1,707	1,208
Math class	337	-	-	337
Business class	142	-	-	142
Career class	229	-	-	229
History club	3,912	-	836	3,076
FFA	8,248	23,212	25,170	6,290
FCCLA	819	260	101	978
Shop - derby	-	660	-	660
Shop - broncs garage	2,196	1,289	735	2,750
Trap shooting	1,644	2,000	-	3,644
The stampede	4,319	117,171	109,269	12,221
Dance team	760	-	-	760
Broncs brew	5,721	-	5,721	-
LHS Broncs Brew	-	31,868	25,132	6,736
Trainer-trainee	-	2,000	-	2,000
Subtotal high school	42,739	223,864	203,324	63,279

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2024

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds (continued):				
Middle school:				
Volleyball team	$ 525	$ -	$ -	$ 525
Girls basketball team	176	139	315	-
Cheerleading	1,858	1,618	2,560	916
STUCO	2,888	4,410	5,046	2,252
Fifth grade	2,644	4,303	4,765	2,182
Sixth grade	2,799	895	799	2,895
FCA	3,787	-	-	3,787
Counselor student fund	166	-	-	166
Student purchases	1,013	12,433	8,413	5,033
Box tops	1,151	104	-	1,255
Quiz bowl	161	-	40	121
Subtotal middle school	17,168	23,902	21,938	19,132
Subtotal student organization funds	59,907	247,766	225,262	82,411
Clearing funds:				
Sales tax:				
High school	-	9,536	9,536	-
High school - Broncs Brew	-	1,933	1,933	-
Middle school	-	1,005	1,005	-
Elementary school	-	274	274	-
Subtotal clearing funds	-	12,748	12,748	-
District agency funds:				
Flex spending	6,853	9,351	6,894	9,310
Total agency funds	$ 66,760	$ 269,865	$ 244,904	$ 91,721

See Independent Auditor's Report.

APPENDICES

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INDEPENDENT AUDITOR'S 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*

Board of Education
Unified School District No. 215
Lakin, 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, the financial statement of Unified School District No. 215, Lakin, Kansas as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise Unified School District No. 215's basic financial statement, and have issued our report thereon dated January 3, 2025. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the District has prepared this financial statement on the basis of the financial reporting provisions of the *Kansas Municipal Auditing 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 Unified School District No. 215'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 opinion on the financial statement, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Unified School District No. 215's 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 results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 215's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kennedy McKee & Company LLP

January 3, 2025

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

Board of Education
Unified School District No. 215
Lakin, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 215's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 215 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Unified School District No. 215 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

Report on Internal Control over Compliance

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

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. 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 weaknesses 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 results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kennedy McKee & Company LLP

January 3, 2025

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash end of year	Passthrough to subrecipients
U.S. Department of Agriculture								
Passed through Kansas Department of Education:								
Local Food for Schools	10.185	D0215	$ -	$ -	$ 4,897	$ 4,897	$ -	$ -
Child Nutrition Cluster:								
School Breakfast Program	10.553	D0215	-	-	42,402	42,402	-	-
National School Lunch Program	10.555	D0215	-	-	192,035	192,035	-	-
Summer Food Program	10.559	D0215	-	-	29,280	29,280	-	-
Fresh Fruits and Vegetables	10.582	D0215	-	-	12,940	12,940	-	-
			-	-	276,657	276,657	-	-
			-	-	281,554	281,554	-	-
U.S. Department of Education								
Direct Award:								
Rural Education Achievement Program	84.358B	N/A	-	-	28,559	28,559	-	-
Passed through Kansas Department of Education:								
Title I Program	84.010A	D0215	19,001	-	134,165	153,166	-	-
Migrant Program	84.011A	D0215	-	-	92,800	92,800	-	-
Title IIA - Supporting Effective Instruction	84.367A	D0215	-	-	18,879	18,879	-	-
Title IVA - Student Support and Academic Enrichment	84.424A	D0215	-	-	16,822	16,822	-	-
COVID-19 - Elementary and Secondary School Emergency Relief	84.425U	D0215	(27,374)	-	171,162	143,788	-	-
			(8,373)	-	462,387	454,014	-	-
U.S. Department of Health and Human Services								
Passed through Kansas Department of Education:								
COVID-19 - KDHE ELC - K-12 Reopening Schools	93.323	D0215	21,122	-	22,090	22,090	21,122	-
Total federal assistance			$ 12,749	$ -	$ 766,031	$ 757,658	$ 21,122	$ -

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 215 under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title *2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are prepared using the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

C. INDIRECT COST RATE

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

UNIFIED SCHOOL DISTRICT NO. 215
LAKIN, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of Unified School District No. 215 was prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statement are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statement of Unified School District No. 215, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies or material weaknesses related to the audit of internal control over major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for Unified School District No. 215 expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.

7. The program tested as a major program included:

Child Nutrition Cluster:	
School Breakfast Program	CFDA 10.553
National School Lunch Program	CFDA 10.555
Summer Food Program	CFDA 10.559
Fresh Fruits and Vegetables	CFDA 10.582
COVID-19 Elementary and Secondary School Emergency Relief	CFDA 84.425U

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

9. Unified School District No. 215 did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.