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FRONTIER EXTENSION DISTRICT #11

FINANCIAL STATEMENT WITH REGULATORY-
REQUIRED SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2024

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Independent Auditor's Report

To the Board
Frontier Extension District #11
Lyndon, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Frontier Extension District #11 (the District), as of and for the year ended December 31, 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 Frontier Extension District #11, as of December 31, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Frontier Extension District #11, as of December 31, 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 2.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

As discussed in Note 2 of the financial statement, the financial statement is prepared by Frontier Extension District #11 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 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Emphasis of Matter

As discussed in Note 10 to the financial statement, beginning unencumbered cash has been restated to reflect a decrease of $23,279. Our opinion is not modified with respect to this matter.

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 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 and individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedules 1 and 2 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*. 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 2.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Frontier Extension District #11 as of and for the year ended December 31, 2023 (not presented herein), and have issued our report thereon dated November 13, 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 web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 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, after the effects of the prior period adjustment described in Note 10, 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 December 31, 2023, on the basis of accounting described in Note 2.

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas
January 5, 2026

FRONTIER EXTENSION DISTRICT #11
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

STATEMENT 1

Fund	Restated Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 744,619	$ 1,070,402	$ 1,147,834	$ 667,187	$ -	$ 667,187

COMPOSTION OF CASH:	
Checking	$ 400,606
Certificates of Deposit	266,581
TOTAL CASH	$ 667,187

1. REPORTING ENTITY

Frontier Extension District #11 (the District), is a sub-division of Anderson, Franklin, and Osage County Extension Councils and the Research and Extension Department of Kansas State University, formed under K.S.A. 2-623 through 2-628. The District was formed under an operational agreement to combine the extension programs for each county into one extension program. The District is governed by a twelve-member executive board elected by residents of the counties it serves.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 revenues 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.

Fund Descriptions. The following types of funds comprise the financial activities of the District for the year ended December 31, 2024:

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

Salaries: Pursuant to the Memorandum of Understanding between Kansas State University College of Agriculture and Applied Science (the University), and Anderson, Franklin, and Osage counties, the University pays for a portion of the extension agent's salaries, payroll taxes, and benefits and bills the remainder to the District on a monthly basis. The extension agents are considered employees of the University for all payroll reporting purposes.

The District prepares monthly financial statements and submits them to the University for review. The monthly statements report the total extension agent salaries as an expenditure and include the portion paid by the University as a receipt. The value of the non-cash receipts from the University for salaries in 2024 was $119,593.

3. BUDGETARY INFORMATION

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

If the District is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. District budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. 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. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures 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 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.

4. 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 deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at December 31, 2024.

At December 31, 2024, the District's carrying amount of deposits was $667,187 and the bank balance was $764,867. The bank balance was held by four banks. Of the bank balance $516,581 was covered by federal depository insurance and the remaining $248,286 was collateralized with securities held by the pledging financial institution’s agents in the District’s name.

5. 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. 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 at 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 (not including the 1% contribution rate for the Death and Disability Program) and statutory contribution rate was 9.26% for the fiscal year ended December 31, 2024. Contributions to the pension plan from the District were $27,766 for the year ended December 31, 2024.

Net Pension Liability. At December 31, 2024, the District’s proportionate share of the collective net pension liability reported by KPERS was $271,731. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. 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 Local subgroup within KPERS. 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.

6. OTHER POST-EMPLOYMENT BENEFITS

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. There is no cost to the District under this program.

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 December 31, 2024.

7. COMPENSATED ABSENCES

Vacation and annual leave is accumulated at the following rate:

Years of Service	Part-Time Earned Leave
< 5 Years	6 days
5-10 Years	7.5 days
10-15 Years	9 days
> 15 Years	11.25 days

Years of Service	Full-Time Earned Leave
< 5 Years	12 days
5-10 Years	15 days
10-15 Years	18 days
> 15 Years	22.5 days

Annual leave may be accumulated up to 30 days for full-time employees and 15 days for part-time employees. Annual leave is payable at the time of termination or retirement up to the maximum payout is one year accumulation based on years of service as noted above calculated at employee's hourly rate.

Sick leave is accumulated at one day per month for full-time employees and at 4 hours per month for part-time employees. There is no maximum for accumulated sick leave, and is not payable at termination. Sick leave will be paid at retirement up to 20 days based on the employee's hourly rate.

8. 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 continues to carry commercial insurance to protect itself from these risks of loss.

9. RELATED PARTIES

One employee of the District was directly related to a board member during the fiscal year ended December 31, 2024.

10. PRIOR PERIOD ADJUSTMENT

Subsequent to the issuance of the December 31, 2023 financial statements, an error affecting December 31, 2023 reported balances were discovered. As a result, an adjustment was made to correct the error which decreased beginning unencumbered cash by $23,279 from the balance previously reported.

11. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after December 31, 2024 through January 5, 2026. The aforementioned date represents the date the financial statement was available to be issued.

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION

FRONTIER EXTENSION DISTRICT #11
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

SCHEDULE 1

Fund	Certified Budget	Adjustment For Qualifying Budget Credits	Total Budget For Comparison	Expenditures Chargeable to Current Year	Variance-Over (Under)
General Fund	$ 1,664,000	$ -	$ 1,664,000	$ 1,147,834	$ (516,166)

FRONTIER EXTENSION DISTRICT #11
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2024

SCHEDULE 2

	Restated Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 796,003	$ 773,341	$ 782,315	$ (8,974)
Delinquent Tax	16,210	17,094	16,356	738
Motor Vehicle Tax	63,043	82,814	60,402	22,412
Recreational Vehicle Tax	2,522	2,061	1,806	255
Commercial Vehicle Tax	-	4,234	2,489	1,745
Watercraft Tax	436	514	741	(227)
16/20M Vehicle Tax	1,683	-	2,762	(2,762)
Kansas State University	122,901	119,593	128,213	(8,620)
Educational Services Reimbursements	19,067	7,655	42,000	(34,345)
Other	55,204	63,096	45,000	18,096
Total Cash Receipts	1,077,069	1,070,402	$ 1,082,084	$ (11,682)
Expenditures				
Audit, Bond, Insurance, Legal Fees	25,407	17,375	$ 17,000	$ 375
Telephone	9,699	9,898	15,000	(5,102)
Rent and Utilities	32,022	35,438	40,000	(4,562)
Supplies, Stationary, and Postage	22,365	17,025	30,000	(12,975)
Repairs and Maintenance	13,918	12,508	40,000	(27,492)
Education Program Support	32,126	40,071	53,000	(12,929)
Travel	30,820	17,367	40,000	(22,633)
Subsistence	7,712	11,127	12,000	(873)
Salaries and Wages	727,711	770,294	875,000	(104,706)
Employer Contribution Benefits and Taxes	145,304	179,081	325,000	(145,919)
Reimbursements	64,378	5,122	62,000	(56,878)
Capital Outlay	25,960	32,528	155,000	(122,472)
Total Expenditures	1,137,422	1,147,834	$ 1,664,000	$ (516,166)
Receipts Over (Under) Expenditures	(60,353)	(77,432)		
Unencumbered Cash, Beginning	804,972	744,619		
Unencumbered Cash, Ending	$ 744,619	$ 667,187		