Unified School District Number 374

Sublette, Kansas

FINANCIAL STATEMENT

WITH REGULATORY - REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2024

Medill & Thooft, CPA
Certified Public Accountants
Ulysses, Kansas

Unified School District Number 374
Sublette, Kansas
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For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Superintendent and Board of Education
Unified School District Number 374
Sublette, Kansas 67877

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the Unified School District Number 374 which comprise the statement of receipts, expenditures, and unencumbered cash as of 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 Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Unified School District Number 374, as of June 30, 2024, or changes in net position, or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above present fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District Number 374, 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* as described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 Unified School District Number 374, 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 Opinions on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District Number 374, on the basis of the financial reporting provisions of *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statement

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

relevant to the preparation and fair presentation of financial statement that are 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 Unified School District Number 374'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 double 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 opinion. 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 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District Number 374'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 Unified School District Number 374'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, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, schedule of regulatory basis receipts and expenditures - agency funds, schedule of receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3, and 4, as listed in the table of contents) are presented for 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 information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Unified School District Number 374 as of and for the year ended June 30, 2023 (not presented herein), and have issued our reported thereon dated November 10, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link: http://admin.ks.gov/offices/oar/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2023 (Schedule 2 as listed in the table of contents) is presented for the purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the Unified School District Number 374's basic financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 25, 2024, on our consideration of the Unified School District Number 374's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unified School District Number 374's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Unified School District Number 374's internal control over financial reporting and compliance.

Medill and Thooft, CPA

MEDILL & THOOFT, CPA
Ulysses, Kansas

October 25, 2024

Unified School District Number 374
Sublette, Kansas
Summary Statement 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
General Funds:						
General	$ 32,347	$ 4,144,108	$ 4,176,455	$ -	$ 2,364	$ 2,364
Supplemental General	131,053	1,318,517	-	57,385	-	57,385
Special Purpose Funds:						
Preschool-Aged At-Risk	-	57,886	57,886	-	-	-
At-Risk (K-12)	-	888,914	887,383	1,531	-	1,531
Bilingual Education	-	214,461	214,461	-	-	-
Capital Outlay	429,453	668,916	545,414	552,955	126	553,081
Driver Training	19,367	8,690	12,870	15,187	-	15,187
Professional Development	15,188	5,206	17,260	3,134	-	3,134
Food Service	142,578	503,112	515,731	129,959	-	129,959
Special Education	54,538	428,381	392,919	90,000	-	90,000
Career and Postsecondary Education	-	39,929	39,929	-	-	-
Daycare Services	2,747	102,248	104,995	-	-	-
KPERS Special Retirement	-	559,093	559,093	-	-	-
Textbook	564	-	564	-	-	-
Contingency Reserve	257,257	92,743	-	350,000	-	350,000
Rec. Comm. General	11,144	219,725	208,756	22,113	-	22,113
Rec. Comm. Employee Benefits	5,955	67,666	64,000	9,621	-	9,621
State, Federal and Other Grants	(92,674)	495,409	646,086	(243,351)	-	(243,351)
District Activity	6,981	126,282	124,717	8,546	-	8,546
Bond and Interest Fund:						
Bond and Interest	132,434	2,560	-	134,994	-	134,994
Total Primary Government (Excluding Agency Funds)	$ 1,148,932	$ 9,943,846	$ 8,568,519	$ 1,132,074	$ 2,490	$ 1,134,564

Composition of Cash	
Checking Accounts	$ 308,250
Money Market	978,127
	1,286,377
Less: Agency Funds - Per Schedule 3	(151,813)
Total Composition of Cash	$ 1,134,564

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

UNIFIED SCHOOL DISTRICT NUMBER 374
Sublette, Kansas
Notes to the Financial Statement
June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

Unified School District Number 374 is a municipal corporation governed by an elected seven-member board. This financial statement presents USD No. 374 (the District) and its related municipal entities. The related municipal entities are included in the USD's reporting entity because it was created to benefit the USD and/or its constituents.

Component Unit

1. *Sublette Recreation Commission* – The Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

b) Regulatory Basis Fund Types

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

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

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

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

Business Funds – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

c) Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, 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.

d) 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 adoption of the final budget has been adjusted to on or before September 20th. The District did hold a revenue neutral 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 was a budget amendment for At-Risk (K-12) Fund 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 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 City for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Textbook Fund, Contingency Reserve Fund, and State, Federal and Other Grants Funds.

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

e) Reimbursements

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2024, in the amount of $106,079 are classified as reimbursed expenses in the General Fund. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

NOTE 2 – 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;

NOTE 2 – DEPOSITS AND INVESTMENTS, CONTINUED

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 does not use designated "peak periods".

At June 30, 2024 the carrying amount of the District's deposits, including certificates of deposit, was $1,134,564 and the bank balance was $2,119,867. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance, and the remaining balance was collateralized with securities held by the pledging financial institution's agents in the District's name.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments of this type at June 30, 2024.

NOTE 3 – RETIREMENT 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 or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

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

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

NOTE 3 – RETIREMENT PLAN, CONTINUED

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 billon 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 KEPRS-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, $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 of retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $282,622 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 $5,252,944. 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 contribution 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.

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

a) *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 premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

b) *Sick Leave.* Full time certified employees employed less than twelve (12) months per year shall be granted ten (10) working days each year at full salary for personal illness, illness of family members, medical and dental appointments. Sick leave shall accumulate to a maximum of ninety (90) working days for each staff member employed for less than twelve (12) months. Full time classified employees employed for twelve (12) months per year shall be granted twelve (12) working days sick leave at full salary for personal illness, illness of family members, medical and dental appointments. Sick leave shall accumulate to a maximum of seventy-two (72) working days for each staff member employed for twelve (12) months.

   Certified employees that work part days shall have ten (10) part days for sick leave, which shall accumulate as described above. Total accumulation shall be sixty (60) part days.

NOTE 4 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS, CONTINUED

c) *Extended Sick Leave.* Full time professional employees shall be granted ten (10) working days extended sick leave for his/her first year of employment in the District, twenty (20) working days for the second continuous year of employment in the District, and thirty (30) working days in each succeeding year of employment in USD No. 374. Extended sick leave shall be defined as leave with a salary reduction, as specified in the Board Policy. The liability for accumulated vacation pay is not shown on this financial statement in accordance with a statutory based financial statement.

d) Bereavement Leave. Each certified employee may use his/her accumulated sick leave and his/her extended sick leave for reason of death of a relative of the employee or the employee's spouse. Such use shall be limited to five (5) days per bereavement. More time may be granted upon the discretion of the superintendent.

e) *Personal Leave.* Certified employees shall be allowed three (3) days of personal leave per year. Personal leave is not accumulative. Certified employees will be given one (1) additional day of personal leave upon their 20th year of accumulated experience. This includes experience at the District and certified experience elsewhere. Unused personal leave days may be converted to sick leave days. Such converted days shall not be reimbursable under the Payment for Unused Sick Leave Days paragraph.

f) *Payment for Unused Sick Leave*. The Board of Education shall pay each teacher upon retirement under KPERS, in the case of a disability that would prevent continued employment by the District, or the teacher's beneficiaries in the event of the teacher's death, ten dollars ($10) per each day of accumulated unused sick leave not to exceed sixty (60) days. Termination of employment other than those listed above will not be eligible for payment of unused sick leave. The Board of Education shall pay each teacher for unused sick leave up to ten (10) days at a rate of twenty dollars ($20) per day at the end of each contract period after all sick leave days used have been applied to the records in the Central Office. Unused sick leave pay will be computed in the June check.

g) Termination Benefits. The District does not provide for termination benefits.

NOTE 5 – INTERFUND TRANSFERS

Interfund operating transfers are as follows:

Fund Transferred From:	Fund Transferred To:	Statutory Authority	Amount
General	Bilingual	K.S.A. 72-6428	$ 147,358
General	Day Care	K.S.A. 72-6428	56,355
General	Food Service	K.S.A. 72-6428	75,648
General	Professional Development	K.S.A. 72-6428	2,072
General	Special Education	K.S.A. 72-6428	411,162
General	Career and Postsecondary Education	K.S.A. 72-6428	29,324
General	Contingency Reserve	K.S.A. 72-6428	92,743
General	Capital Outlay	K.S.A. 72-6428	53,988
General	Preschool-Aged At-Risk	K.S.A. 72-6428	50,927
General	At-Risk (K-12)	K.S.A 72-6428	692,477
Supplemental General	Bilingual Fund	K.S.A. 72-6433	67,103
Supplemental General	At-Risk (K-12)	K.S.A. 72-6433	196,436
Supplemental General	Preschool-Aged At-Risk	K.S.A. 72-6433	6,960
Supplemental General	Daycare Services Fund	K.S.A. 72-6433	45,893
Supplemental General	Food Service	K.S.A. 72-6433	68,122
Supplemental General	Career and Postsecondary Education	K.S.A. 72-6433	2,087

NOTE 6 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration, and Interpretation by legal repetition of the Municipality.

The District had checks outstanding for two years or more. K.S.A. 10-18, 10-816

There were no other cash law violation or budget law violations for the year ending June 30, 2024

NOTE 7 – CLAIMS, JUDGEMENTS AND RISK MANAGEMENT

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material impact on the District.

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 has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage in the 2024 fiscal year, and there were no settlements that exceeded insurance coverage in the past three years.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. Management’s evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

Schedule 1

Unified School District Number 374
Sublette, Kansas
Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:						
General	$ 4,149,264	$ (63,600)	$ 106,079	$ 4,191,743	$ 4,176,455	$ (15,288)
Supplemental General	1,403,079	(10,894)		1,392,185	1,392,185	-
Special Purpose Funds:						
Preschool-Aged At-Risk	70,000			70,000	57,886	(12,114)
At-Risk (K-12)	887,383			887,383	887,383	-
Bilingual Education	220,065			220,065	214,461	(5,604)
Capital Outlay	920,651		17,988	920,651	545,414	(375,237)
Driver Training	24,766			24,766	12,870	(11,896)
Professional Development	40,688			40,688	17,260	(23,428)
Food Service	719,858			719,858	515,731	(204,127)
Special Education	503,762			503,762	392,919	(110,843)
Career and Postsecondary Education	60,671			60,671	39,929	(20,742)
Daycare Services	112,747			112,747	104,995	(7,752)
KPERS Special Retirement	606,883			606,883	559,093	(47,790)
Rec. Comm. General	208,756			208,756	208,756	-
Rec. Comm. Employee Benefits	64,000			64,000	64,000	-
Debt Service Fund:						
Bond and Interest	-			-	-	-

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Mineral Taxes	$ 169,810	$ 86,578	$ 180,000	$ (93,422)
State Equalization Aid	3,481,166	3,720,704	3,674,917	45,787
State Special Education Aid	230,833	230,747	262,000	(31,253)
Reimbursed Expenses	99,034	106,079	-	106,079
Total Receipts	3,980,843	4,144,108	$ 4,116,917	$ 27,191
Expenditures				
Instruction	1,430,098	1,717,998	1,699,859	18,139
Student Support Services	1,615	21,937	1,800	20,137
Instructional Support Staff	103,622	68,560	105,600	(37,040)
General Administration	139,289	129,663	143,000	(13,337)
School Administration	131,729	141,985	134,200	7,785
Central Services	-	-	-	-
Operations and Maintenance	345,016	282,846	156,000	126,846
Other Student Transportation Services	20,928	4,659	202,200	(197,541)
Vehicle Operating Services	45,457	121,992	64,000	57,992
Student Transportaion Services - Supervision	62,247	64,868	64,200	668
Vehicle & Maintenance Services	-	9,893	-	9,893
Fund Transfers	1,668,695	1,612,054	1,578,405	33,649
Adjustment to Comply with Legal Max			(63,600)	63,600
Legal Supplemental Fund Budget	3,948,696	4,176,455	4,085,664	90,791
Adjustment for Qualifying Budget Credits			106,079	(106,079)
Total Expenditures	3,948,696	4,176,455	$ 4,191,743	(15,288)
Receipts Over (Under) Expenditures	32,147	(32,347)		$ 42,479
Unencumbered Cash, July 1	200	32,347		
Unencumbered Cash, June 30	$ 32,347	$ -		

Schedule 2-2

Unified School District Number 374
Sublette, 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, 2022)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Advalorem Taxes	$ 1,216,371	$ 1,194,943	$ 22,990	$ 1,171,953
Back Tax Collections	16,087	17,655	15,622	2,033
Motor Vehicle Tax Collections	103,795	104,632	103,110	1,522
Recreational Vehicle Tax Collections	1,219	1,287	3,125	(1,838)
Total Receipts	1,337,472	1,318,517	$ 144,847	$ 1,173,670
Expenditures				
Instruction	338,028	286,003	408,354	(122,351)
Student Support Services	31,501	32,661	32,200	461
Instructional Support Staff	136,881	163,665	121,850	41,815
General Administration	255,634	265,028	250,700	14,328
School Administration	203,360	235,326	205,300	30,026
Operations and Maintenance	8,360	595	8,500	(7,905)
Student Transportation Services	2,560	2,306	2,600	(294)
Other Support Services	13,389	20,000	11,900	8,100
Fund Transfers	323,464	386,601	361,675	24,926
Adjustment to Comply with Legal Max			(10,894)	10,894
Total Expenditures	1,313,177	1,392,185	$ 1,392,185	-
Receipts Over (Under) Expenditures	24,295	(73,668)		$ 1,173,670
Unencumbered Cash, July 1	106,758	131,053		
Unencumbered Cash, June 30	$ 131,053	$ 57,385		

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 66,473	$ 57,886	$ 70,000	$ (12,114)
Total Receipts	66,473	57,886	$ 70,000	$ (12,114)
Expenditures				
Instruction	67,249	57,886	70,000	(12,114)
Total Expenditures	67,249	57,886	$ 70,000	(12,114)
Receipts Over (Under) Expenditures	(776)	-		$ -
Unencumbered Cash, July 1	776	-		
Unencumbered Cash, June 30	$ -	$ -		

Schedule 2-4

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 823,918	$ 888,914	$ 846,015	$ 42,899
Total Receipts	823,918	888,914	$ 846,015	$ 42,899
Expenditures				
Instruction	815,421	877,853	878,886	(1,033)
Student Support Services	8,497	9,530	8,497	1,033
Total Expenditures	823,918	887,383	$ 887,383	-
Receipts Over (Under) Expenditures	-	1,531		$ 42,899
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	$ -	$ 1,531		

Unified School District Number 374
Sublette, Kansas
Bilingual 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 213,557	$ 214,461	$ 220,065	$ (5,604)
Total Receipts	213,557	214,461	$ 220,065	$ (5,604)
Expenditures				
Instruction	216,068	214,461	220,065	(5,604)
Total Expenditures	216,068	214,461	$ 220,065	(5,604)
Receipts Over (Under) Expenditures	(2,511)	-		$ -
Unencumbered Cash, July 1	2,511	-		
Unencumbered Cash, June 30	$ -	$ -		

Schedule 2-6

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Advalorem Property Taxes	$ 587,880	$ 541,651	$ 516,381	$ 25,270
Back Tax Collections	6,556	7,982	6,411	1,571
Motor Vehicle Tax Collections	40,096	42,743	42,319	424
Recreational Vehicle Tax Collections	466	563	1,283	(720)
Interest Income	2,605	4,001	4,000	1
Transfer from General Fund	94,902	53,988	-	53,988
Reimbursements	-	17,988	-	17,988
Miscellaneous Revenue	359	-	500	(500)
Total Receipts	732,864	668,916	$ 570,894	$ 98,022
Expenditures				
Instruction	153,972	92,278	225,000	132,722
Student Support Services	13,603	-	50,000	50,000
Instructional Support Staff	-	8,741	-	(8,741)
General Administration	3,882	16,064	4,000	(12,064)
Operations and Maintenance	396,453	284,298	487,000	202,702
Student Transportation Services	22,848	34,726	25,000	(9,726)
Land Improvements	4,170	-	4,500	4,500
Building Improvements	40,008	109,307	125,151	15,844
Legal Capital Outlay Fund Budget			920,651	472,759
Adjustment for Qualifying Budget Credits			17,988	(17,988)
Total Expenditures	634,936	545,414	$ 938,639	454,771
Receipts Over (Under) Expenditures	97,928	123,502		$ (356,749)
Unencumbered Cash, July 1	331,525	429,453		
Unencumbered Cash, June 30	$ 429,453	$ 552,955		

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ 6,300	$ 4,640	$ 5,400	$ (760)
Enrollment Fees	2,450	4,050	-	4,050
			-	
Total Receipts	8,750	8,690	$ 5,400	$ 3,290
Expenditures				
Instruction	9,261	10,427	22,566	(12,139)
School Administration	-	2,176	-	2,176
Operations & Maintenance	356	267	2,200	(1,933)
Total Expenditures	9,617	12,870	$ 24,766	(11,896)
Receipts Over (Under) Expenditures	(867)	(4,180)		$ 15,186
Unencumbered Cash, July 1	20,234	19,367		
Unencumbered Cash, June 30	$ 19,367	$ 15,187		

Schedule 2-8

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ 344	$ 3,134	$ 1,500	$ 1,634
Transfers In	23,986	2,072	24,000	(21,928)
Total Receipts	24,330	5,206	$ 25,500	$ (20,294)
Expenditures				
Instructional Support Staff	9,142	17,260	40,688	(23,428)
Total Expenditures	9,142	17,260	$ 40,688	(23,428)
Receipts Over (Under) Expenditures	15,188	(12,054)		$ 3,134
Unencumbered Cash, July 1	-	15,188		
Unencumbered Cash, June 30	$ 15,188	$ 3,134		

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ 2,215	$ 2,217	$ 1,718	$ 499
Federal Aid	280,107	265,284	237,607	27,677
Transfers In	257,515	143,770	220,000	(76,230)
Student Meal Receipts	45,031	55,618	57,923	(2,305)
Adult Meal Receipts	36,077	35,475	60,050	(24,575)
Miscellaneous	4,154	748	-	748
Total Receipts	625,099	503,112	$ 577,298	$ (74,186)
Expenditures				
Operations and Maintenance	9,406	8,023	149,019	(140,996)
Food Service Operations	527,770	507,708	570,839	(63,131)
Total Expenditures	537,176	515,731	$ 719,858	(204,127)
Receipts Over (Under) Expenditures	87,923	(12,619)		$ 129,941
Unencumbered Cash, July 1	54,655	142,578		
Unencumbered Cash, June 30	$ 142,578	$ 129,959		

Schedule 2-10

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
General Fund Transfer of State Aid	$ 230,833	$ 230,747	$ 450,000	$ (219,253)
Transfers In	172,927	180,415	-	180,415
Other	10,944	17,219	12,000	5,219
Total Receipts	414,704	428,381	$ 462,000	$ (33,619)
Expenditures				
Instruction	386,702	392,255	502,412	110,157
General Administration	66	-	100	100
Operations & Maintenance	772	664	1,250	586
Total Expenditures	387,540	392,919	$ 503,762	110,843
Receipts Over (Under) Expenditures	27,164	35,462		$ (144,462)
Unencumbered Cash, July 1	27,374	54,538		
Unencumbered Cash, June 30	$ 54,538	$ 90,000		

Unified School District Number 374
Sublette, 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 38,276	$ 31,410	$ 40,000	$ (8,590)
State Aid	15,425	8,519	20,671	(12,152)
Total Receipts	53,701	39,929	$ 60,671	$ (20,742)
Expenditures				
Instruction	31,161	15,897	33,171	(17,274)
Student Transportation Services	22,540	24,032	27,500	(3,468)
Total Expenditures	53,701	39,929	$ 60,671	(3,468)
Receipts Over (Under) Expenditures	-	-		$ (17,274)
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	$ -	$ -		

Schedule 2-12

Unified School District Number 374
Sublette, Kansas
Daycare Services 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Service Revenue	$ 39,581	$ -	$ 40,000	$ (40,000)
Transfers In	61,620	102,248	70,000	32,248
Total Receipts	101,201	102,248	$ 110,000	$ (7,752)
Expenditures				
Other Support Services	100,702	104,995	112,747	(7,752)
Total Expenditures	100,702	104,995	$ 112,747	(7,752)
Receipts Over (Under) Expenditures	499	(2,747)		$ -
Unencumbered Cash, July 1	2,221	2,747		
Prior Year Cancelled Encumbrances	27	-		
Unencumbered Cash, June 30	$ 2,747	$ -		

Unified School District Number 374
Sublette, Kansas
KPERS Special Retirement 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
KPERS State Aid	$ 577,984	$ 559,093	$ 606,883	$ (47,790)
Total Receipts	577,984	559,093	$ 606,883	$ (47,790)
Expenditures				
Employee Benefits	577,984	559,093	606,883	(47,790)
Total Expenditures	577,984	559,093	$ 606,883	(47,790)
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	$ -	$ -		

Schedule 2-14

Unified School District Number 374
Sublette, Kansas
Textbook Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year	Current Year
Receipts		
Transfers In	$ -	$ -
Total Receipts	-	-
Expenditures		
Textbook Purchases	-	564
Total Expenditures	-	564
Receipts Over (Under) Expenditures	-	(564)
Unencumbered Cash, July 1	564	564
Unencumbered Cash, June 30	$ 564	$ -

Unified School District Number 374
Sublette, Kansas
Contingency Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2022)

	Prior Year	Current Year
Receipts		
Transfers In	$ 8,153	$ 92,743
Total Receipts	8,153	92,743
Expenditures		
Emergency Expenditures	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	8,153	92,743
Unencumbered Cash, July 1	249,104	257,257
Prior Year Cancelled Encumbrances	-	-
Unencumbered Cash, June 30	$ 257,257	$ 350,000

Schedule 2-16

Unified School District Number 374
Sublette, Kansas
Recreation Commission 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
County Taxes	$ 238,016	$ 219,725	$ 212,483	$ 7,242
Total Receipts	238,016	219,725	$ 212,483	$ 7,242
Expenditures				
Community Service Operations	226,872	208,756	208,756	-
Total Expenditures	226,872	208,756	$ 208,756	-
Receipts Over (Under) Expenditures	11,144	10,969		$ 7,242
Unencumbered Cash, July 1	-	11,144		
Unencumbered Cash, June 30	$ 11,144	$ 22,113		

Unified School District Number 374
Sublette, Kansas
Recreation Commission Employee Benefits 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
County Taxes	$ 20,955	$ 67,666	$ 62,861	$ 4,805
Total Receipts	20,955	67,666	62,861	4,805
Expenditures				
Community Service Operations	15,000	64,000	64,000	-
Total Expenditures	15,000	64,000	$ 64,000	-
Receipts Over (Under) Expenditures	5,955	3,666		$ 4,805
Unencumbered Cash, July 1	-	5,955		
Unencumbered Cash, June 30	$ 5,955	$ 9,621		

Schedule 2-18

Unified School District Number 374
Sublette, Kansas
State, Feeral and Other Grant Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022

	Title I Low Income	Supporting Effective Instruction	Student Support & Academic Enrichment	Emergency Connectivity Fund	ESSER III	Title III English Language Acqusition	Small Rural Schools Grant
Receipts							
Federal Grants	$101,759	$ 14,089	$ 15,302	$ -	$ 173,962	$ 10,646	$ 28,965
Local Revenue	-	-	-	-	-	-	-
Total Receipts	101,759	14,089	15,302	-	173,962	10,646	28,965
Expenditures							
Instruction	101,759	14,089	15,302	-	329,307	10,646	28,965
Student Support Services	-	-	-	-	-	-	-
Operations and Maintenance	-	-	-	-	-	-	-
Student Transportation Services	-	-	-	-	7,042	-	-
Total Expenditures	101,759	14,089	15,302	-	336,349	10,646	28,965
Receipts Over (Under) Expenditures	-	-	-	-	(162,387)	-	-
Unencumbered Cash, July 1	-	-	-	(22,080)	(58,884)	-	-
Prior Year Cancelled Encumbrances	-	-	-	-	-	-	-
Unencumbered Cash, June 30	$ -	$ -	$ -	$ (22,080)	$(221,271)	$ -	$ -

Schedule 2-18

Unified School District Number 374
Sublette, Kansas
State, Feeral and Other Grant Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022

	TANF Early Learning	CIF Preschool Pre-K Pilot	Child Care Sustainability Grant	Perkins Grant	KDHE COVID Grant	Safe and Secure
Receipts						
Federal Grants	$ 25,195	$ -	$ -	$ 1,950	$ 36,521	$ -
Local Revenue	-	25,195	-	4,067	-	5,706
Total Receipts	25,195	25,195	-	6,017	36,521	5,706
Expenditures						
Instruction	25,195	25,195	-	8,410	-	-
Student Support Services	-	-	3,834	-	-	-
Operations and Maintenance	-	-	-	-	18,584	5,706
Student Transportation Services	-	-	-	-	-	-
Total Expenditures	25,195	25,195	3,834	8,410	18,584	5,706
Receipts Over (Under) Expenditures	-	-	(3,834)	(2,393)	17,937	-
Unencumbered Cash, July 1	-	-	3,834	2,393	(17,937)	-
Prior Year Cancelled Encumbrances	-	-	-	-	-	-
Unencumbered Cash, June 30	$ -	$ -	$ -	$ -	$ -	$ -

Schedule 2-18

Unified School District Number 374
Sublette, Kansas
State, Feeral and Other Grant Funds
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2022

	Misc Grants	Totals
Receipts		
Federal Grants	$ -	$ 408,389
Local Revenue	52,052	87,020
Total Receipts	52,052	495,409
Expenditures		
Instruction	52,052	610,920
Student Support Services	-	3,834
Operations and Maintenance	-	24,290
Student Transportation Services	-	7,042
Total Expenditures	52,052	646,086
Receipts Over (Under) Expenditures	-	(150,677)
Unencumbered Cash, July 1	-	(92,674)
Prior Year Cancelled Encumbrances	-	-
Unencumbered Cash, June 30	$ -	$(243,351)

Unified School District Number 374
Sublette, Kansas
Bond and Interest 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, 2022)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Ad Valorem Taxes	$ -	$ -	$ -	$ -
Delinquent Tax	2,944	2,533	-	2,533
Motor Vehicle Tax	19,119	27	-	27
Recreational Vehicle Tax/Excise Tax	146	-	-	-
Total Receipts	22,209	2,560	$ -	$ 2,560
Expenditures				
Bond Principal Payments	-	-	-	-
Bond Interest Payments	-	-	-	-
Total Expenditures	-	-	$ -	-
Receipts Over (Under) Expenditures	22,209	2,560		$ 2,560
Unencumbered Cash, July 1	110,225	132,434		
Unencumbered Cash, June 30	$ 132,434	$ 134,994		

Schedule 3

Unified School District Number 374
Sublette, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
High School Student Organizations:				
Band	$ 348	$ 90	$ 126	$ 312
FFA	7,768	21,280	23,944	5,104
Kayettes	400	168	73	495
MS Student Council	108	360	439	29
Lark Style	1,431	3,090	1,384	3,137
S Club	1,722	5,335	4,866	2,191
Yearbook	-	1,317	3,594	(2,277)
HS Track	220	3,144	1,580	1,784
Class of 2023	567	30	564	33
Class of 2024	2,470	3,267	4,079	1,658
Class of 2026	740	4,172	-	4,912
Class of 2022	768	-	599	169
Class of 2025	3,333	4,939	6,594	1,678
Scholarships	-	16,547	10,547	6,000
Library	213	-	-	213
HS Student Council	632	1,111	1,653	90
Vocal Music	103	1,145	1,042	206
HS Softball	5,252	3,128	4,330	4,050
HS Boys Basketball	257	5,320	2,367	3,210
HS Volleyball	1,891	2,743	1,759	2,875
HS Cheerleaders	1,902	17,487	17,047	2,342
National Honor Society	579	1,709	1,754	534
MS Cheerleaders	1,250	12,955	13,687	518
MLO	2,747	3,191	3,023	2,915
Baseball	102	883	699	286
AG	-	544	544	-
MS Volleyball	-	1,091	883	208
Seat Belts are for Everyone	4,829	1,250	3,421	2,658
HS Golf	2,251	2,324	2,524	2,051
FCA	195	329	414	110
FCCLA	946	921	1,385	482
Staff & Student Account	28	1,862	292	1,598
HS Football	48	3,277	2,194	1,131
HS Girls Basketball	128	561	580	109
MS/HS Cross Country	1,194	1,148	866	1,476
HS Basketball Team Meals	164	-	-	164
MS/HS Class Fees	-	1,045	775	270
MS Girls Basketball	-	428	382	46
HS Leadership	-	1,117	1,005	112
MS Track	-	760	-	760
Interest	46	87	46	87
Subtotal High School Student Organizations	45,298	130,155	121,061	53,726
Grade School Student Organizations:				
Miscellaneous	8,295	660	1,175	7,780
Box Top Fund	3,787	91	-	3,878
Pop Fund/Student	12,086	1,284	2,185	11,185
Faculty/Staff	4,670	2,373	2,033	5,010
GS Musical Fund	1,605	-	481	1,124
Adult Site Council	1,350	-	302	1,048
GS Leadership	34	-	-	34
Book Fair Fund	782	2,087	2,311	558
School Mall	4,579	545	-	5,124
After School Program	3,863	2,658	2,306	4,215
Subtotal Grade School Student Organizations	41,051	9,698	10,793	39,956
Other Agency Funds:				
Flex Account	26,607	23,424	22,045	27,986
McClain Scholarship	26,890	122	-	27,012
High School Sales Tax	323	3,819	1,164	2,978
Grade School Sales Tax	120	604	569	155
Subtotal Other Agency Funds	53,940	27,969	23,778	58,131
Total Agency Funds	$ 140,289	$ 167,822	$ 155,632	$ 151,813

Unified School District Number 374
Sublette, Kansas
District Activity Fund
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
High School Athletics	$ 729	$ 30,512	$ 27,379	$ 3,862	$ -	$ 3,862
High School Concession	4,351	17,612	18,292	3,671	-	3,671
Total Gate Receipts	5,080	48,124	45,671	7,533	-	7,533
High School Activity	798	40,895	41,360	333	-	333
Grade School Activity	1,103	37,263	37,686	680	-	680
Total District Activity Funds	$ 6,981	$ 126,282	$ 124,717	$ 8,546	$ -	$ 8,546

Unified School District Number 374
Sublette, Kansas

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Unified School District Number 374

Sublette, Kansas

SINGLE AUDIT SECTION

For the Year Ended June 30, 2024

104 N. Main / P.O. Box 885
Ulysses, Kansas 67880
Office (620) 356-4951

Medill & Thooft, CPA

117 N. Main
Lakin, Kansas 67860
Fax (620) 353-1018

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

Superintendent and Board of Education
Unified School District Number 374
Sublette, Kansas 67877

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 statement of receipts, expenditures, and unencumbered cash, as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprise Unified School District Number 374 basic financial statement,, and have issued our report thereon dated October 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District Number 374's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District Number 374's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District Number 374's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial 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 Number 374'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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Medill and Thooft, CPA

MEDILL & THOOFT, CPA
Ulysses, Kansas

October 25, 2024

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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

Superintendent and Board of Education
Unified School District Number 374
Sublette, Kansas 67877

Report on Compliance for Each Major Federal Program

Qualified Opinions

We have audited Unified School District Number 374'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 Unified School District Number 374's major federal programs for the year ended June 30, 2024. Unified School District Number 374's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Education Stabilization Fund Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Unified School District Number 374 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Education Stabilization Fund Cluster for the year ended June 30, 2024.

Basis for Qualified Opinion

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 Number 374 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 qualified opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District Number 374's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on Education Stabilization Fund Cluster

As described in the accompanying schedule of findings and questioned costs, Unified School District Number 374 did not comply with requirements regarding Assistance Listing No. 84.425U Elementary and Secondary School Emergency Relief Fund as described in finding number 2024-001 for Reporting.

Compliance with such requirements is necessary, in our opinion, for Unified School District Number 374 to comply with the requirements applicable to that program.

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 Unified School District Number 374'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 Unified School District Number 374'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 Unified School District Number 374'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 Unified School District Number 374'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 Unified School District Number 374'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 Unified School District Number 374's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

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

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District Number 374's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District Number 374's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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

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

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District Number 374's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District Number 374's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Medill and Thooft, CPA

MEDILL & THOOFT, CPA
Ulysses, Kansas

October 25, 2024

Unified School District Number 374
Sublette, Kansas
Schedule of Expenditures of Federal Awards
Regulatory Basis
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Numbers	Pass Through Identifying Number	Federal Award Expenditures
U.S. Department of Agriculture			
Passed Through State of Kansas Department of Education			
Child Nutrition Cluster:			
Local Food for Schools Cooperative Agreement Program (LFS)	10.185	D0374	$ 3,807
School Breakfast Program	10.553	D0374	58,839
National School Lunch Program	10.555	D0374	163,271
Team Nutrition Grants	10.574	D0374	300
Fresh Fruits and Vegetables	10.582	D0374	11,284
Summer Food Service Program for Children	10.559	D0374	27,783
Total Child Nutrition Cluster			265,284
Total U.S. Department of Agriculture			265,284
U.S. Department of Education			
Rural Education Achievement Program	84.358A	D0374	28,965
Passed Through State of Kansas Department of Education			
Title I Grants to Local Educational Agencies	84.010A	D0374	101,759
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	D0374	1,950
English Language Acquisition State Grant - Title III	84.365A	D0374	10,646
Supporting Effective Instruction State Grant	84.367A	D0374	14,089
Student Support and Academic Enrichment Program	84.424A	D0374	15,302
Education Stabilization Fund Cluster:			
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	D0374	336,349
Total Education Stabilization Fund Cluster			336,349
Total U.S. Department of Education			509,060
U.S. Department of Health and Human Services			
Passed Through State of Kansas Department of Education			
COVID-19 - Child Care Disaster Relief	93.575	D0374	3,834
KDHE K-12 COVID Testing Grant	93.323	D0374	18,584
Temporary Assitance for Needy Families (TANF)	93.558	D0374	25,195
Total U.S. Department of Health and Human Services			47,613
Total Schedule of Expenditures of Federal Awards			$ 821,957

Unified School District Number 374
Sublette, Kansas
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 374, Sublette, Kanas (the District) under programs of the federal government for the year ended June 30, 2024. The information in this schedule if 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 select portion of the operations of District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using regulatory basis of accounting prescribed by the Kanas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Expenditures reported in the Schedule of Expenditures of Federal Awards (SEFA) are reported using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash and budget laws of the State of Kansas, the same as the financial statement accompanying this schedule.

2) Unified School District Number 374 did not use the standard indirect cost rate of 10%.

NOTE 3 – FUNDS EXPENDED

Funds where federal expenditures were receipted and expended:

Food Service Fund	$ 265,284
From State, Federal and Other Grant Funds:	
Title I Low Income	101,759
Supporting Effective Instruction	14,089
Student Support and Academic Enrichment	15,302
ESSER III	336,349
Title III English Language Acquisition	10,646
Small Rural Schools Grant	28,965
TANF Early Learning	25,195
Perkins Grant	1,950
KDHE COVID Grant	18,584
Child Care Sustainability Grant	3,834
Total Expenditures	$821,957

Unified School District Number 374
Sublette, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditor's Results

Financial Statement:

Type of audit report issued	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	No
• Noncompliance which is material to the financial statement noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance:	
• Education Stabilization Fund Cluster	Qualified
Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)?	Yes

Identification of Major Program	**Assistance Listing Number**
Education Stabilization Fund Cluster:	
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U

Dollar threshold to distinguish between Type A and Type B Programs	$750,000
Auditee qualifies as a low-risk auditee?	No

Section II – Financial Statement Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

U.S. Department of Education
Program Name: Rural Education Achievement Program
Federal Assistance Listing Numbers: 84.358A

There were no reportable findings.

U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Education Stabilization Fund Cluster
Federal Assistance Listing Numbers: 84.425U

Finding 2024-001
SIGNIFICANT DEFICENCY AND MATERIAL NONCOMPLIANCE
Internal Controls and Report Submissions

Criteria: Pursuant to the Code of Federal Regulations (CFR), Title 2 *Grants and Agreements*, Subpart D *Post Federal Award Requirements*, Section 200.303 "the non-federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." Also pursuant to the Code of Federal Regulations (CFR), Title 2 *Grants and Agreements*, Subpart D *Post Federal Award Requirements*, Section 200.302 *Financial Management* (2 CFR §200.302), "identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received."

Condition: When investigating the controls related to Education Stabilization Fund reporting to the State of Kanas, we became aware that the same individual compiling the information is the same submitting the reports with no secondary review. During our examination of the reports submitted for the fiscal year, the report for the quarter ending June 2024 did not back to financial records by approximately $60.989.

Cause: The controls related to reporting for Education Stabilization Fund are non-existent.

Effect: There is no internal control related to reporting for Education Stabilization Fund.

Questioned Costs: $60,989

Recommendations: The District should have an employee compare the Board Clerk's supporting documentation and the Education Stabilization Fund spreadsheet report before its submission to the State of Kansas for its accuracy. After the approval by the secondary review employee, the report submitted should be printed, initialed by the secondary reviewer, stapled with the information used to compile the report and combined with all financial records for the fiscal year.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding. See separate document for planned corrective actions.

Unified School District Number 374
Sublette, Kansas
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT

Finding 2023-001 Internal Controls

Criteria: Pursuant to the Code of Federal Regulations (CFR), Title 2 *Grants and Agreements*, Subpart D *Post Federal Award Requirements*, Section 200.302 *Financial Management* (2 CFR §200.302), "identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received."

Condition: When investigating the controls related to Education Stabilization Fund reporting to the State of Kanas, we became aware that the same individual compiling the information is the same submitting the reports with no secondary review. During our examination of the reports submitted for the fiscal year, the report for the quarter ending June 2023 did not back to financial records by approximately $70,441.

Recommendation: The District should have an employee compare the Board Clerk's supporting documentation and the Education Stabilization Fund spreadsheet report before its submission to the State of Kansas for its accuracy. After the approval by the secondary review employee, the report submitted should be printed, initialed by the secondary reviewer, stapled with the information used to compile the report and combined with all financial records for the fiscal year.

Current Status: See current year finding at 2024-001.

UNIFIED SCHOOL DISTRICT NO. 374

OFFICE OF THE SUPERINTENDENT

PO Box 670 / 105 W Fern
Sublette, Kansas 67877

Phone: (620) 675-2277
Fax: (620) 675-2652

CORRECTIVE ACTION PLAN

October 23, 2024

Kansas State Department of Education and Kansas State Department of Administration

Unified School District Number 374 respectfully submits the following corrective action plan for the year ended June 30, 2024.

Medill & Thooft, CPA
Po Box 885
Ulysses, KS 67880

Audit Period: June 30, 2024

FINDINGS – FEDERAL AWARD PROGRAMS AUDIT
U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Education Stabilization Fund Cluster
Federal Assistance Listing Numbers: 84.425U

Finding 2024-001

Recommendations: The District should have an employee compare the Board Clerk's supporting documentation and the Education Stabilization Fund spreadsheet report before its submission to the State of Kansas for its accuracy. After the approval by the secondary review employee, the report submitted should be printed, initialed by the secondary reviewer, stapled with the information used to compile the report and combined with all financial records for the fiscal year.

Action Taken: We agree with the recommendation. Our targeted implementation date is November 2024.

If the Kansas State Department of Education and/or Kansas State Department of Administration has questions regarding this plan, please call Rex Richardson at 620-675-2277.

Sincerely yours,

Rex Richardson
Superintendent

UNIFIED SCHOOL DISTRICT NO. 374

OFFICE OF THE SUPERINTENDENT

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Sublette, Kansas 67877

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Fax: (620) 675-2652

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

October 23, 2024

Kansas State Department of Education and Kansas State Department of Administration

Unified School District Number 374 respectfully submits the following status updates of prior year audit findings for the year ended June 30, 2023.

Medill & Thooft, CPA
PO Box 885
Ulysses, KS 67880

Audit Period: June 30, 2023

FEDERAL AWARD FINDINGS

2023-001 Significant Deficiency and Material Noncompliance

Condition: When investigating the controls related to Education Stabilization Fund reporting to the State of Kanas, we became aware that the same individual compiling the information is the same submitting the reports with no secondary review. During our examination of the reports submitted for the fiscal year, the report for the quarter ending June 2023 did not back to financial records by approximately $70,441.

Status: See "Corrective Action Plan"

If the Kansas State Department of Education and/or Kansas State Department of Administration has questions regarding this plan, please call Rex Richardson at 620-675-2277.

Sincerely yours,

Rex Richardson
Superintendent