Unified School District Number 214

Ulysses, Kansas

FINANCIAL STATEMENT

WITH REGULATORY - REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2025

Medill & Thooft, CPA
Certified Public Accountants
Ulysses, Kansas

Unified School District Number 214
Ulysses, Kansas
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For the Year Ended June 30, 2025

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104 N. Main / P.O. Box 885
Ulysses, Kansas 67880

Office (620) 356-4951
Fax (620) 353-1018

Medill & Thooft, CPA

117 N. Main
Lakin, Kansas 67860

517 Main / P.O. Box 107
Scott City, Kansas 67871

INDEPENDENT AUDITOR'S REPORT

Superintendent and Board of Education
Unified School District Number 214
Ulysses, Kansas 67880

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the Unified School District Number 214 which comprise the statement of receipts, expenditures, and unencumbered cash as of June 30, 2025, 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 214, as of June 30, 2025, 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 214, as of June 30, 2025, 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, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 214, 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 214, 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 214'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 are 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District Number 214'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 214'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 214 as of and for the year ended June 30, 2024 (not presented herein), and have issued our reported thereon dated November 27, 2024, which contained an unmodified opinion on the basic financial statement. The 2024 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 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for the purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 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 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 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 2024 basic financial statement or to the 2024 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 2024 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, 2024, 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 214'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 January 18, 2026, on our consideration of the Unified School District Number 214'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 214'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 214's internal control over financial reporting and compliance.

Medill and Thooft, CPA

MEDILL & THOOFT, CPA
Ulysses, Kansas

January 18, 2026

Unified School District Number 214

Ulysses, Kansas

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Unified School District Number 214
Ulysses, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2025

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	$ -	$ 13,507,235	$ 13,507,235	$ -	$ 242,540	$ 242,540
Supplemental General	206,011	4,346,946	4,397,024	155,933	38,577	194,510
Special Purpose Funds:						
KPERS Special Retirement	-	1,254,677	1,254,677	-	-	-
Adult Education	61,682	65,540	60,157	67,065	855	67,920
Preschool-Aged At-Risk	112,191	150,000	145,924	116,267	6,742	123,009
At-Risk (K-12)	922,531	4,514,182	4,443,756	992,957	119,300	1,112,257
Bilingual Education	142,376	481,104	478,091	145,389	10,593	155,982
Virtual Education	362,905	-	101,216	261,689	47,075	308,764
Capital Outlay	4,564,280	4,589,961	4,085,457	5,068,784	2,316,008	7,384,792
Driver Training	72,217	-	-	72,217	-	72,217
Food Service	512,352	994,208	1,062,392	444,168	151,413	595,581
Professional Development	38,921	76,925	36,089	79,757	179	79,936
Hickok Day Care	128,386	236,161	171,369	193,178	67,917	261,095
Special Education	907,486	1,647,075	1,615,714	938,847	-	938,847
Career and Postsecondary Education	198,881	450,000	441,370	207,511	26,410	233,921
Contingency Reserve	1,072,531	-	-	1,072,531	-	1,072,531
Rec. Commission - General	73,785	897,555	922,700	48,640	-	48,640
Rec. Commission - Emp. Benefits	8,835	30,238	36,100	2,973	-	2,973
Textbook Rental	546,977	195,751	174,054	568,674	10,348	579,022
State, Federal and Other Grants	(369,141)	1,388,550	1,011,085	8,324	67,043	75,367
Health Insurance	1,708,627	1,528,320	1,754,632	1,482,315	-	1,482,315
District Activity	32,789	406,975	403,937	35,827	-	35,827
Bond and Interest Fund:						
Bond & Interest	138,819	-	-	138,819	-	138,819
Total Primary Government	$ 11,443,441	$ 36,761,403	$ 36,102,979	$ 12,101,865	$ 3,105,000	$ 15,206,865

Composition Of Cash	
Demand Deposits	$ 2,444,662
Money Markets	2,148,379
Certificate of Deposits	10,872,241
Total Cash	$ 15,465,282
Agency Funds Per Schedule 4	(258,417)
Total Reporting Entity (Excluding Agency Funds)	$ 15,206,865

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

Unified School District Number 214

Ulysses, Kansas

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Unified School District Number 214
Ulysses, Kansas
Notes to the Financial Statement
June 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial Reporting Entity

Unified School District Number 214, Ulysses, Kansas, operates as a municipal corporation in accordance with the laws of the State of Kansas. The District is governed by an elected seven-member board. This regulatory financial statement presents Unified School District Number 214 (the District), the municipality, but does not include its related municipal entities. The related municipal entity, which was established to benefit the District and/or its constituents, has been elected by the board not to be included in the District's reporting entity.

Component Unit

1. *Grant County 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.

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 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

2. Publication in the 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, provided that at least ten days have passed since 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 this year.

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

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 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's end.

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

Contingency Reserve Fund, Textbook Rental Fund, Health Care Fund, and State, Federal, and Other Grant Funds.

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

NOTE 2 – 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 to 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 to provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS, CONTINUED

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, 2025 the carrying amount of the District's deposits, including certificates of deposit, was $15,206,865 and the bank balance was $17,062,153. The bank balance was held by three banks. Approximately 88% of the bank's balance was held in two banks, resulting in a concentration of credit risk. Of the bank balance, $5,819,981 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, 2025.

NOTE 3 – RETIREMENT 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 contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 13.38% and 12.57%, respectively, for the fiscal year ended June 30, 2024. The actuarially determined employer contribution rate and the statutory contribution rate were 11.60% and 11.54%, respectively, for the fiscal year ended June 30, 2025.

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

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

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 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

NOTE 3 – RETIREMENT PLAN, CONTINUED

$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 transfer 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 $1,254,677 for the year ended June 30, 2025.

Net Pension Liability
At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $11,384,672. 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 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, 2024. 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.* District employees who regularly work more than thirty-five hours per week earn between 9 and 12 days. Classified employees may accumulate unused sick leave from previous years up to sixty days. Certified staff can accumulate up to a maximum of 60 days. Employees have the right to donate up to 3 of their sick leave days to another district employee during each contract period.

c) *Personal Days*. All full-time employees, defined as working either thirty hours or over, receive between 1 to 3 personal business days per year. The amount that can be accumulated deposits on the category of employee. Individual days of administration staff may be paid out at $100 a day with up to one personal day being carried over into the next contract year.

d) *Vacation Days.* Classified staff, the Superintendent and the Assistant Superintendent are eligible for vacation days. Classified staff receive vacation days range from 10 to 20 days based on years of service with the District. The Superintendent and/or Assistant Superintendent's vacation days, which range from 15 to 25 days, is based upon years of experience. Accumulated vacation is paid to employees upon termination, retirement or resignation. The liability for accumulated vacation pay is not shown on this financial statement in accordance with a statutory based financial statement.

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

e) *Paid Time Off.* Full-time certified staff will be credit 13 paid time off days of leave at the beginning of the school year. Leave is prorated for any teacher who is contracted for less than full-time or begins employment after the beginning of the school year. At the end of the year, the unused portion of the year's leave shall be converted to their accumulated sick leave to a maximum of 60 days for the next school year.

e) *Payment for Unused Sick Leave*. The Board of Education shall pay each teacher, upon their request, amounts over 30 days of sick time at a rate dictated by the negotiated agreement and years of service with the district. Employees who retire from the district and do not obtain employment in another school district the next school year are eligible for the entire unused sick leave balance to be paid based on the negotiated agreement and years of service.

f) *Termination Benefits.* Eligible employees of USD 214, who are prior to the age of 65, may elect to resign or retire with termination benefits. The employee shall be entitled to no more than three years of benefits, and the benefits shall terminate in the event of death; the beneficiary shall make no payment. The district will not make early retirement incentive payments to any employee who has not already begun receiving KPERS retirement benefits.

Eligible employees must be a current full-time employee, have 20 or more years of employment service with USD 214, and have reached the age of 58. The maximum payment will be $8,000 per year for three years.

NOTE 5 – INTERFUND TRANSFERS

Interfund operating transfers are as follows:

Fund Transferred Out:	Fund Transferred To:	Statutory Authority	Amount
General	Bilingual Education	K.S.A. 72-6428	$ 300,000
General	Capital Outlay	K.S.A. 72-6428	19,919
General	Professional Development	K.S.A. 72-6428	25,000
General	Special Education	K.S.A. 72-6428	1,002,794
General	Career and Postsecondary Education	K.S.A. 72-6428	350,000
General	Preschool-Aged At-Risk	K.S.A. 72-6428	50,000
General	At-Risk (K-12)	K.S.A. 72-6428	3,741,182
Supplemental General	Adult Education	K.S.A. 72-6433	65,000
Supplemental General	Bilingual Education	K.S.A. 72-6433	175,000
Supplemental General	Special Education	K.S.A. 72-6433	600,000
Supplemental General	Professional Development	K.S.A. 72-6433	50,000
Supplemental General	Career and Postsecondary Education	K.S.A. 72-6433	100,000
Supplemental General	Textbook	K.S.A. 72-6433	159,857
Supplemental General	Preschool-Aged At-Risk	K.S.A. 72-6433	100,000
Supplemental General	At-Risk (K-12)	K.S.A. 72-6433	773,000

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.

Expenditures from the At-Risk (K-12) Funds exceeded the adopted budget for the year ended December 31, 2024, in violation of K.S.A. 79-2935.

There were no other cash law or budget law violations for the year ending June 30, 2025.

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 2025 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, but one event is to be disclosed in this financial statement.

The District paid McCownGordon Construction $2,157,972 as of the date of the audit report for Hickok daycare renovations and kitchen upgrades to Hickok and Sullivan schools.

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

Unified School District Number 214

Ulysses, Kansas

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Unified School District Number 214
Ulysses, Kansas
Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
Regulatory Basis
For the Year Ended June 30, 2025

Fund	Certified Budget	Adjustment to comply with Legal Maximum	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:					
General	$ 13,693,539	$ (186,304)	$ 13,507,235	$ 13,507,235	$ -
Supplemental General	4,494,931	(97,907)	4,397,024	4,397,024	-
Special Purpose Funds:					
KPERS Special Retirement	1,408,107		1,408,107	1,254,677	(153,430)
Adult Education	121,683		121,683	60,157	(61,526)
Preschool-Aged At-Risk	247,191		247,191	145,924	(101,267)
At-Risk (K-12)	4,443,576		4,443,576	4,443,756	180
Bilingual Education	622,376		622,376	478,091	(144,285)
Virtual Education	362,905		362,905	101,216	(261,689)
Capital Outlay	6,087,532		6,087,532	4,085,457	(2,002,075)
Driver Training	72,217		72,217	-	(72,217)
Food Service	1,371,663		1,371,663	1,062,392	(309,271)
Professional Development	109,421		109,421	36,089	(73,332)
Special Education	2,444,727		2,444,727	1,615,714	(829,013)
Career and Postsecondary Education	720,381		720,381	441,370	(279,011)
Rec. Commission - General	922,700		922,700	922,700	-
Rec. Commission - Emp. Benefits	36,100		36,100	36,100	-
Debt Service Fund:					
Bond & Interest	-		-	-	-

Schedule 2-1

Unified School District Number 214
Ulysses, Kansas
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ 11,849,645	$ 12,469,276	$ 12,502,896	$ (33,620)
Mineral Production Tax	43,273	35,165	43,271	(8,106)
Special Education Aid	920,013	1,002,794	1,147,372	(144,578)
Total Receipts	12,812,931	13,507,235	$ 13,693,539	$ (186,304)
Expenditures				
Instruction	3,448,959	2,422,512	3,754,809	(1,332,297)
Student Support Services	118,826	141,429	137,500	3,929
Instructional Support Staff	234,242	256,605	251,000	5,605
General Administration	550,963	673,877	594,000	79,877
School Administration	1,122,107	1,162,071	1,164,000	(1,929)
Central Services	415,967	329,297	425,500	(96,203)
Operations and Maintenance	2,056,249	2,642,261	1,978,433	663,828
Student Transportation Services	367,258	390,288	409,700	(19,412)
Architectural & Engineering Services	83,395	-	85,000	(85,000)
Operating Transfers	4,415,142	5,488,895	4,893,597	595,298
Adjustment to Comply with Legal Max			(186,304)	186,304
Legal General Fund Budget	12,813,108	13,507,235	13,507,235	-
Adjustment for Qualifying Budget Credits	-	-	-	-
Total Expenditures	12,813,108	13,507,235	$ 13,507,235	-
Receipts Over (Under) Expenditures	(177)	-		$ (186,304)
Unencumbered Cash, July 1	-	-		
Prior Year Cancelled Encumbraces	177	-		
Unencumbered Cash, June 30	$ -	$ -		

Unified School District Number 214
Ulysses, Kansas
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 2,328,681	$ 2,699,193	$ 66,200	$ 2,632,993
Delinquent Tax	32,519	30,010	12,025	17,985
Motor Vehicle Tax Collections	186,424	158,903	116,443	42,460
Recreational Vehicle Tax Collections	2,613	2,546	24,325	(21,779)
Supplemental State Aid	1,519,756	1,456,294	1,488,721	(32,427)
Total Receipts	4,069,993	4,346,946	$ 1,707,714	$ 2,639,232
Expenditures				
Instruction	921,514	894,112	1,200,000	(305,888)
Student Support Services	30,934	40,309	40,000	309
General Administration	121,002	201,911	176,500	25,411
School Administration	202,774	220,070	217,062	3,008
Operations and Maintenance	1,002,744	960,006	1,107,500	(147,494)
Student Transportation Services	23,635	57,759	29,000	28,759
Operating Transfers	1,732,862	2,022,857	1,724,869	297,988
Adjustment to Comply With Legal max			(97,907)	97,907
Total Expenditures	4,035,465	4,397,024	$ 4,397,024	-
Receipts Over (Under) Expenditures	34,528	(50,078)		$ 2,639,232
Unencumbered Cash, July 1	171,483	206,011		
Unencumbered Cash, June 30	$ 206,011	$ 155,933		

Schedule 2-3

Unified School District Number 214
Ulysses, Kansas
KPERS Special Retirement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Revenue	$ 1,341,054	$ 1,254,677	$ 1,408,107	$ (153,430)
Total Receipts	1,341,054	1,254,677	$ 1,408,107	$ (153,430)
Expenditures				
Employee Benefits	1,341,054	1,254,677	1,408,107	(153,430)
Total Expenditures	1,341,054	1,254,677	$ 1,408,107	(153,430)
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	$ -	$ -		

Unified School District Number 214
Ulysses, Kansas
Adult Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 60,000	$ 65,000	$ 60,000	$ 5,000
Miscellaneous Revenue	520	540	-	540
Total Receipts	60,520	65,540	$ 60,000	$ 5,540
Expenditures				
Instruction	57,234	59,227	116,683	(57,456)
Student Support Services	2,535	930	5,000	(4,070)
Total Expenditures	59,769	60,157	$ 121,683	(61,526)
Receipts Over (Under) Expenditures	751	5,383		$ 67,066
Unencumbered Cash, July 1	60,931	61,682		
Unencumbered Cash, June 30	$ 61,682	$ 67,065		

Schedule 2-5

Unified School District Number 214
Ulysses, Kansas
Preschool-Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 135,000	$ 150,000	$ 135,000	$ 15,000
Total Receipts	120,000	150,000	$ 135,000	$ 15,000
Expenditures				
Instruction	138,642	145,924	247,191	(101,267)
Total Expenditures	138,642	145,924	$ 247,191	-
Receipts Over (Under) Expenditures	(3,642)	4,076		$ 15,000
Unencumbered Cash, July 1	115,833	112,191		
Unencumbered Cash, June 30	$ 112,191	$ 116,267		

Unified School District Number 214
Ulysses, Kansas
At-Risk Fund (K-12)
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 3,211,350	$ 4,514,182	$ 3,521,225	$ 992,957
Total Receipts	3,211,350	4,514,182	$ 3,521,225	$ 992,957
Expenditures				
Instruction	3,114,851	4,442,645	4,442,076	569
Instructional Support Staff	872	1,111	1,500	(389)
Total Expenditures	3,115,723	4,443,756	$ 4,443,576	180
Receipts Over (Under) Expenditures	95,627	70,426		$ 992,777
Unencumbered Cash, July 1	826,724	922,531		
Unencumbered Cash, June 30	$ 922,531	$ 992,957		

Schedule 2-7

Unified School District Number 214
Ulysses, Kansas
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 505,000	$ 475,000	$ 480,000	$ (5,000)
Miscellaneous Revenue	-	6,104	480,000	(473,896)
Total Receipts	505,000	481,104	$ 960,000	$ (5,000)
Expenditures				
Instruction	507,135	478,091	622,376	(144,285)
Total Expenditures	507,135	478,091	$ 622,376	(144,285)
Receipts Over (Under) Expenditures	(2,135)	3,013		$ 139,285
Unencumbered Cash, July 1	144,511	142,376		
Unencumbered Cash, June 30	$ 142,376	$ 145,389		

Unified School District Number 214
Ulysses, Kansas
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Instruction	55,454	101,216	362,905	(261,689)
Total Expenditures	55,454	101,216	$ 362,905	(261,689)
Receipts Over (Under) Expenditures	(55,454)	(101,216)		$ 261,689
Unencumbered Cash, July 1	418,359	362,905		
Unencumbered Cash, June 30	$ 362,905	$ 261,689		

Schedule 2-9

Unified School District Number 214
Ulysses, Kansas
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 1,287,863	$ 1,082,875	$ 1,065,070	$ 17,805
Delinquent Tax	16,444	14,250	6,570	7,680
Motor Vehicle Tax	90,705	97,544	73,099	24,445
Recreation Vehicle Tax	1,190	1,566	15,271	(13,705)
Interest	568,739	524,556	-	524,556
Donations	47,301	12,198	-	12,198
Sale of Equipment	18,720	15,564	-	15,564
Insurance Claims	-	2,512,336	-	2,512,336
Rental Income	8,482	14,413	-	14,413
Federal Aid - E-Rate	-	64,050	-	64,050
Miscellaneous	5,650	22,641	-	22,641
Transfer from General Fund	166,641	19,919	155,000	(135,081)
State Aid	144,130	208,049	208,242	(193)
Total Receipts	2,355,895	4,589,961	$ 1,523,252	$ 3,066,709
Expenditures				
Instruction	19,143	192,167	400,000	(207,833)
Student Support Services	-	-	70,000	(70,000)
General Administration	4,800	840	-	840
School Administration	-	857	-	857
Operations and Maintenance	15,873	60,129	163,429	(103,300)
Transportation	-	44,512	500,000	(455,488)
Site Improvements	3,518	1,572	351,603	(350,031)
Building Improvements	875,489	3,785,380	4,602,500	(817,120)
			-	
Total Expenditures	918,823	4,085,457	6,087,532	(2,002,075)
Receipts Over (Under) Expenditures	1,437,072	504,504		$ 5,068,784
Unencumbered Cash, July 1	3,127,208	4,564,280		
Unencumbered Cash, June 30	$ 4,564,280	$ 5,068,784		

Unified School District Number 214
Ulysses, Kansas
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
State Aid	$ -	$ -	$ -	$ -
Student Fees	-	-	-	-
Transfer In	-	-	-	-
Total Receipts	-	-	$ -	$ -
Expenditures				
Instruction	-	-	72,217	(72,217)
Total Expenditures	-	-	$ 72,217	(72,217)
Receipts Over (Under) Expenditures	-	-		$ 72,217
Unencumbered Cash, July 1	72,217	72,217		
Unencumbered Cash, June 30	$ 72,217	$ 72,217		

Schedule 2-11

Unified School District Number 214
Ulysses, Kansas
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 849,494	$ 787,186	$ 697,171	$ 90,015
State Aid	7,696	7,123	5,817	1,306
Charges for Services	139,629	125,221	156,323	(31,102)
Miscellaneous Revenue	69,457	74,678	-	74,678
Total Receipts	1,066,276	994,208	$ 859,311	$ 134,897
Expenditures				
Operations and Maintenance	-	1,772	500	1,272
Food Service Operation	1,004,293	1,060,620	1,371,163	(310,543)
Total Expenditures	1,004,293	1,062,392	$ 1,371,663	(309,271)
Receipts Over (Under) Expenditures	61,983	(68,184)		$ 444,168
Unencumbered Cash, July 1	450,369	512,352		
Unencumbered Cash, June 30	$ 512,352	$ 444,168		

Unified School District Number 214
Ulysses, Kansas
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
State Aid	$ 4,547	$ 1,925	$ 10,500	$ (8,575)
Transfers In	20,000	75,000	60,000	15,000
Total Receipts	24,547	76,925	$ 70,500	$ 6,425
Expenditures				
Instructional Support Staff	34,382	36,089	109,421	(73,332)
Total Expenditures	34,382	36,089	$ 109,421	(73,332)
Receipts Over (Under) Expenditures	(9,835)	40,836		$ 79,757
Unencumbered Cash, July 1	48,756	38,921		
Unencumbered Cash, June 30	$ 38,921	$ 79,757		

Schedule 2-13

Unified School District Number 214
Ulysses, Kansas
Hickok Day Care Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year	Current Year
Receipts		
Donations	$ 5,458	$ 59,461
Grant Revenue	173,400	176,700
Total Receipts	178,858	236,161
Expenditures		
Student Support Services	31,375	98,792
School Administration	859	4,317
Operations and Maintenance	18,238	68,260
Total Expenditures	50,472	171,369
Receipts Over (Under) Expenditures	128,386	64,792
Unencumbered Cash, July 1	-	128,386
Unencumbered Cash, June 30	$ 128,386	$ 193,178

Unified School District Number 214
Ulysses, Kansas
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
General Fund Transfer of State Aid	$ 920,013	$ 1,002,794	$ -	$ 1,002,794
Transfers In	555,000	600,000	1,537,241	(937,241)
Medicaid Reimbursement	73,422	44,281	-	44,281
Total Receipts	1,548,435	1,647,075	$ 1,537,241	$ 109,834
Expenditures				
Instruction	1,533,810	1,613,387	2,424,902	(811,515)
Vehicle Operating Services	2,016	1,892	3,325	(1,433)
Vehicle Service & Maintenance	9,969	435	16,500	(16,065)
Total Expenditures	1,545,795	1,615,714	$ 2,444,727	(829,013)
Receipts Over (Under) Expenditures	2,640	31,361		$ 938,847
Unencumbered Cash, July 1	904,846	907,486		
Unencumbered Cash, June 30	$ 907,486	$ 938,847		

Schedule 2-15

Unified School District Number 214
Ulysses, Kansas
Career and Post Secondary Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Transfers In	$ 476,494	$ 450,000	$ 520,000	$ (70,000)
Miscellaneous Revenue	-	-	1,500	(1,500)
Total Receipts	476,494	450,000	$ 521,500	$ (71,500)
Expenditures				
Instruction	467,309	439,010	701,881	(262,871)
Operations and Maintenance	12,081	2,360	18,500	(16,140)
Total Expenditures	479,390	441,370	$ 720,381	(279,011)
Receipts Over (Under) Expenditures	(2,896)	8,630		$ 207,511
Unencumbered Cash, July 1	201,777	198,881		
Unencumbered Cash, June 30	$ 198,881	$ 207,511		

Unified School District Number 214
Ulysses, Kansas
Contingency Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year	Current Year
Receipts		
Transfers In	$ -	$ -
Total Receipts	-	-
Expenditures		
Operations and Maintenance	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, July 1	1,072,531	1,072,531
Unencumbered Cash, June 30	$ 1,072,531	$ 1,072,531

Schedule 2-17

Unified School District Number 214
Ulysses, Kansas
Recreation Commission - General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 965,126	$ 811,908	$ 799,140	$ 12,768
Delinquent Tax	13,374	11,312	4,929	6,383
Motor Vehicle Tax	72,877	73,160	54,828	18,332
Recreational/Rental Vehicle Tax	1,178	1,175	11,454	(10,279)
Total Receipts	1,052,555	897,555	$ 870,351	$ 27,204
Expenditures				
Community Service Operations	1,065,000	922,700	922,700	-
Total Expenditures	1,065,000	922,700	$ 922,700	-
Receipts Over (Under) Expenditures	(12,445)	(25,145)		$ 27,204
Unencumbered Cash, July 1	86,230	73,785		
Unencumbered Cash, June 30	$ 73,785	$ 48,640		

Unified School District Number 214
Ulysses, Kansas
Recreation Commission - Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Ad Valorem Tax	$ 22,007	$ 16,521	$ 16,998	$ (477)
Delinquent Tax	2,535	1,311	105	1,206
Motor Vehicle Tax	20,773	12,207	10,997	1,210
Recreational Vehicle Tax/Excise Tax	336	199	2,296	(2,097)
Total Receipts	45,651	30,238	$ 30,396	$ (158)
Expenditures				
Community Service Operations	64,000	36,100	36,100	-
Total Expenditures	64,000	36,100	$ 36,100	-
Receipts Over (Under) Expenditures	(18,349)	(5,862)		$ (158)
Unencumbered Cash, July 1	27,184	8,835		
Unencumbered Cash, June 30	$ 8,835	$ 2,973		

Schedule 2-19

Unified School District Number 214
Ulysses, Kansas
Bond & Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Taxes	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	$ -	-
Receipts Over (Under) Expenditures	-	-		$ -
Unencumbered Cash, July 1	138,819	138,819		
Unencumbered Cash, June 30	$ 138,819	$ 138,819		

Unified School District Number 214
Ulysses, Kansas
Textbook Rental Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year	Current Year
Receipts		
Textbook Rentals	$ 54,798	$ 35,894
Transfers In	100,000	159,857
Total Receipts	154,798	195,751
Expenditures		
Textbook Purchases	35,257	174,054
Total Expenditures	35,257	174,054
Receipts Over (Under) Expenditures	119,541	21,697
Unencumbered Cash, July 1	427,436	546,977
Unencumbered Cash, June 30	$ 546,977	$ 568,674

Schedule 2-21

Unified School District Number 214
Ulysses, Kansas
State, Federal and Other Grant Funds
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

	Gifts and Grants	KMS GCCF Grant	Drive 4 UR School	Meadowlark Grant	ESSER III	Teacher Recruite-ment
Receipts						
Federal Grants	$ -	$ -	$ -	$ 19,062	$ 672,551	$ -
Other Agencies/Misc.	12,402	-	-	2,071	-	-
Total Receipts	12,402	-	-	21,133	672,551	-
Expenditures						
Instruction	-	2,299	-	24,949	292,665	2,981
Student Support Services	-	-	-	-	-	-
Instructional Support Staff	-	-	-	-	-	-
General Administration	-	-	-	-	17,096	-
School Administration	-	-	-	-	-	-
Central Office	-	-	-	-	-	-
Operations and Maintenance	16,935	-	-	-	-	-
Vehicle Services	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
Total Expenditures	16,935	2,299	-	24,949	309,761	2,981
Receipts Over (Under) Exp.	(4,533)	(2,299)	-	(3,816)	362,790	(2,981)
Unencumbered Cash, July 1	4,533	6,989	6,872	-	(362,790)	2,981
Unencumbered Cash, June 30	$ -	$ 4,690	$ 6,872	$ (3,816)	$ -	$ -

Unified School District Number 214
Ulysses, Kansas
State, Federal and Other Grant Funds
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

Title I Low Income	Title I Migrant	Supporting Effective Instruction	English Language Acquisition	KDHE COVID Testing Grant	ESSA	ARP	21st Century AfterSch	Totals
$ 380,500	$91,750	$ 55,386	$ 26,750	$ 14,863	$27,950	$ -	$84,609	$1,373,421
-	-	-	-	-	-	656	-	15,129
380,500	91,750	55,386	26,750	14,863	27,950	656	84,609	1,388,550
356,411	64,559	48,193	18,592	-	26,508	656	78,344	916,157
5,344	26,860	-	-	11,533	-	-	-	43,737
-	-	-	12,305	-	2,074	-	-	14,379
-	-	2,450	-	-	-	-	-	19,546
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	16,935
-	-	-	-	-	-	-	-	-
-	331	-	-	-	-	-	-	331
361,755	91,750	50,643	30,897	11,533	28,582	656	78,344	1,011,085
18,745	-	4,743	(4,147)	3,330	(632)	-	6,265	377,465
(26,373)	-	(4,573)	1,764	(3,330)	728	-	4,058	(369,141)
$ (7,628)	$ -	$ 170	$ (2,383)	$ -	$ 96	$ -	$10,323	$ 8,324

Schedule 2-22

Unified School District Number 214
Ulysses, Kansas
Health Care Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year	Current Year
Receipts		
Health Care Premiums	$ 1,627,953	$ 1,528,320
Total Receipts	1,627,953	1,528,320
Expenditures		
Insurance Premiums	1,485,297	1,754,632
Total Expenditures	1,485,297	1,754,632
Receipts Over (Under) Expenditures	142,656	(226,312)
Unencumbered Cash, July 1	1,561,971	1,708,627
Unencumbered Cash, June 30	$ 1,708,627	$ 1,482,315

Unified School District Number 214
Ulysses, Kansas
District Activity Funds
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Elementary						
Other Revenues	-	2,642	2,642	-	-	-
Book Fair	2,836	9,673	8,694	3,815	-	3,815
Student Collections	-	117,562	117,562	-	-	-
Yearbook	1,544	5,362	5,040	1,866	-	1,866
Subtotal Elementary	4,380	135,239	133,938	5,681	-	5,681
High School						
Athletics	4,436	54,131	55,210	3,357	-	3,357
Concessions	11,136	34,857	36,435	9,558	-	9,558
Other Revenue	1,480	50,700	52,180	-	-	-
Special Band and Choirs	2,318	447	521	2,244	-	2,244
Yearbook	5,189	10,503	7,853	7,839	-	7,839
Subtotal High School	24,559	150,638	152,199	22,998	-	22,998
Kepley School						
Athletics	1,194	39,526	34,973	5,747	-	5,747
Concessions	118	7,922	8,040	-	-	-
Student Collections	2,538	62,094	63,231	1,401	-	1,401
Subtotal Kepley School	3,850	109,542	106,244	7,148	-	7,148
Petty Cash						
Petty Cash	-	11,556	11,556	-	-	-
Subtotal Petty Cash	-	11,556	11,556	-	-	-
Total District Activity Funds	$ 32,789	$ 406,975	$ 403,937	$ 35,827	$ -	$ 35,827

Schedule 4-1

Unified School District Number 214
Ulysses, Kansas
Student Organization Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

High School	Beginning Cash Balance	Receipts	Disbursement	Ending Cash Balance
Art Club	$ 298	$ 1,335	$ 1,025	$ 608
Baseball	1,138	3,465	4,044	559
Bob Athletics	6,684	17,500	15,214	8,970
Boys Basketball	1,552	6,484	5,451	2,585
Boys Golf	396	50	201	245
Boys Tennis	56	1,884	1,940	-
Cheerleaders	3,419	9,642	9,392	3,669
Class of 2024	3,516	-	-	3,516
Class of 2025	3,424	180	1,274	2,330
Class of 2026	2,332	23,809	18,666	7,475
Class of 2027	2,045	-	-	2,045
Crochet	75	55	-	130
Cross Country	6,894	7,227	3,979	10,142
Dance Club	818	-	-	818
Debate	551	582	720	413
Entrepreneurship	386	-	-	386
Esports	439	873	1,312	-
FBLA	18,227	33,501	30,180	21,548
FCA	4,498	3,707	2,015	6,190
FFA	6,470	21,176	19,459	8,187
FCCLA	2,529	112	621	2,020
Flag Team	250	-	-	250
Football	11,461	5,794	3,195	14,060
Forensics	684	-	-	684
General	460	2,437	1,817	1,080
Girls Basketball	2,576	11,355	13,028	903
Girls Golf	866	1,524	1,357	1,033
Girls Tennis	2,666	2,978	3,125	2,519
Halo	4,968	325	-	5,293
IAC	6,625	924	-	7,549
Interact	5,479	-	-	5,479
Interrelated	34	-	-	34
Table Top	83	-	-	83
Musical	10,387	18,506	7,461	21,432
NHS	2,077	1,750	2,227	1,600
Odyssey of the Mind	21	3,821	3,842	-
Pop Club	2,593	30	-	2,623
PBS	1,527	-	-	1,527
Powerlifting	5,087	25	1,168	3,944
SADD	16,149	14,211	4,953	25,407
Safe	447	100	-	547
Science	-	568	194	374
Softball	4,763	2,659	400	7,022
Book Club??	42	-	-	42
Stuco	2,997	1,446	2,099	2,344
Technology	-	10,563	10,563	-
Tiger Robotics	2,399	-	-	2,399
Track	71	3,907	1,409	2,569
Uncommon	5	-	-	5
Volleyball	2,877	1,459	341	3,995
Wrestling	1,327	2,988	2,202	2,113
Subtotal High School	154,668	218,952	174,874	198,746
Elementary				
Hickok T-Shirts	22,383	8,902	8,004	23,281
Hickok Memorial Fund	474	2	-	476
Hickok Hospitality	921	1,862	1,713	1,070
Sullivan Pop	1,604	620	85	2,139
Sullivan 4th Grade Store	1,050	4	-	1,054
Sullivan Positive Behavior	94	-	-	94
Sullivan Suckers	14,611	5,129	3,372	16,368
Odessey of the Mind	671	3	-	674
Subtotal Kepley School	41,808	16,522	13,174	45,156
Kepley School				
Band	-	59	59	-
Crime Stoppers	185	-	-	185
Kepley Educator	1,655	341	235	1,761
Kidwind	-	5,151	4,500	651
General	337	1,634	1,814	157
Stuco	166	50	209	7
Yearbook	5,047	2,244	4,240	3,051
8th Grade Class	448	2,154	690	1,912
Student Leadership	518	4,397	3,170	1,745
Subtotal Kepley School	8,356	16,030	14,917	9,469
Total Student Organization Funds	$ 204,832	$ 251,504	$ 202,965	$ 253,371

Unified School District Number 214
Ulysses, Kansas
District Clearing Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
High School Sales Tax	$ 4,899	$ 7,235	$ 7,514	$ 4,620
Kepley School Sales Tax	200	477	479	198
Elementary Sales Tax	145	734	651	228
	$ 5,244	$ 8,446	$ 8,644	$ 5,046

Unified School District Number 214

Ulysses, Kansas

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Unified School District Number 214

Ulysses, Kansas

SINGLE AUDIT SECTION

For the Year Ended June 30, 2025

Unified School District Number 214

Ulysses, Kansas

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104 N. Main / P.O. Box 885
Ulysses, Kansas 67880

Office (620) 356-4951
Fax (620) 353-1018

Medill & Thooft, CPA

117 N. Main
Lakin, Kansas 67860

517 Main / P.O. Box 107
Scott City, Kansas 67871

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 School Board
Unified School District Number 214
Ulysses, Kansas 67880

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Unified School District Number 214 which comprise the statement of receipts, expenditures, and unencumbered cash as of June 30, 2025, and the related notes to the financial statement, which collectively comprise Unified School District Number 214's basic financial statement, and have issued our report thereon dated January 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District Number 214'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 214's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District Number 214'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District Number 214'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 instances of noncompliance

or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-001.

Unified School District Number 214's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Unified School District Number 214's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Unified School District Number 214's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Medill and Thooft, CPA

MEDILL & THOOFT, CPA
Ulysses, Kansas

January 18, 2026

104 N. Main / P.O. Box 885
Ulysses, Kansas 67880

Office (620) 356-4951
Fax (620) 353-1018

117 N. Main
Lakin, Kansas 67860

517 Main / P.O. Box 107
Scott City, Kansas 67871



Medill & Thooft, CPA

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

Superintendent and School Board
Unified School District Number 214
Ulysses, Kansas 67880

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District Number 214'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 214's major federal programs for the year ended June 30, 2025. Unified School District Number 214's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District Number 214 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Unified School District Number 214 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District Number 214's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Unified School District Number 214'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 214'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 214'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 214'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 214'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 214's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on 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

January 18, 2026

Unified School District Number 214
Ulysses, Kansas
Schedule of Expenditures of Federal Awards
Regulatory Basis
For the Year Ended June 30, 2025

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:			
School Breakfast Program	10.553	D0214	$ 113,318
National School Lunch Program	10.555	D0214	504,649
SFS - CFC	10.559	D0214	161,999
Total Child Nutrition Cluster			779,966
Cash for Commodities	10.558	D0214	7,220
Total U.S. Department of Agriculture			787,186
Federal Communications Commission (FCC)			
Universal Service - E-Rate	32.004	D0214	64,050
Total Federal Communications Commission (FCC)			64,050
U.S. Department of Labor (DOL)			
Passed Through State of Kansas Department of Education			
MeadowLARK Apprenticeship	17.285	D0214	22,878
Total U.S. Department of Labor (DOL)			22,878
U.S. Department of Education			
Passed Through State of Kansas Department of Education			
Title I Low Income	84.010A	D0214	361,755
Title I Migrant	84.011A	D0214	91,750
Title IV 21st Century Community Learning Center	84.287C	D0214	78,344
English Lanugage Acquisition	84.365A	D0214	30,897
Supporting Effective Instruction	84.367A	D0214	50,643
ESSA	84.424A	D0214	28,582
Education Stabilization Fund Cluster:			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	84.425W	D0374	656
COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief Fund	84.425U	D0374	309,105
Total Education Stabilization Fund Cluster			309,761
Total U.S. Department of Education			951,732
U.S. Department of Health and Human Services			
Passed Through State of Kansas Department of Education			
COVID-19 - KDHE K-12 COVID Testing Grant	93.323	D0214	11,533
Total U.S. Department of Health and Human Services			11,533
Total Expenditures of Federal Awards			$ 1,837,379

Unified School District Number 214
Ulysses, Kansas
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

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 214, Ulysses, Kanas (the District) under programs of the federal government for the year ended June 30, 2025. 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 214 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	$ 787,186
Capital Outlay Fund	64,050
From State, Federal and Other Grant Funds:	
Meadowlark Grant	22,878
ESSER III	309,761
Title I Low Income	361,755
Title I Migrant	91,750
Supporting Effective Instruction	50,643
English Language Acquisition	30,897
KDHE Covid Testing Grant	11,533
ESSA	28,582
21st Century After School	78,344
	$ 1,837,379

Unified School District Number 214
Ulysses, Kansas
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

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?	Yes
• 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?	No
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

Federal Assistance Listing Numbers	Name of Federal Program or Cluster
84.425U & 84.425W	Education Stabilization Fund – Section 1
32.004	Universal Service – E-Rate
84.010A	Title I Low Income
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

Finding 2025-001
Significant Deficiency
Internal Controls

Criteria: Segregation of duties requires that individuals responsible for recording, custody of assets, and authorization be kept separate.

Condition: While testing cash receipts, we noted that the individual responsible for recording cash receipts at Kepley and High School is the same individual who prepares the receipts and physically makes the deposits.

Cause: There is no adequate segregation of duties of cash at Kepley and the High School.

Effect: There is a lack of internal control over cash receipts, leaving the District open to fraud.

Recommendations: The creator of the physical receipts, the bank depositor, and the recorder of the cash receipts should be three different individuals. The bank depositor would pull all the yellow copies, ensure there is no unexplained gap in the sequence, make the deposit provided, and attach the applicable receipts to the bank deposit receipt. The receipts recorder would reconcile the yellow copies to the bank deposit.

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

Section III – Federal Award Findings and Questioned Costs

U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Education Stabilization Fund – Section 1
Federal Assistance Listing Numbers: 84.425U & 84.425W
There were no reportable findings.

U.S. Department of Education
Passed Through Kansas State Department of Education
Program Name: Title I Low Income
Federal Assistance Listing Numbers: 84.010A
There were no reportable findings.

Federal Communications Commission
Program Name: Universal Service – E-Rate
Federal Assistance Listing Numbers: 32.004
There were no reportable findings.

Ulysses - USD 214
"Preparing Every Student - Every Day!"
111 S Baughman Ave
Ulysses, KS 67880
620-356-3655

CORRECTIVE ACTION PLAN

January 18, 2026

Kansas State Department of Education and Kansas State Department of Administration

Unified School District Number 214 respectfully submits the following corrective action plan for the year ended June 30, 2025.

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

Audit Period: June 30, 2025

FINDINGS – FINANCIAL STATEMENT FINDING

Finding 2025-001

Recommendations: The creator of the physical receipts, the bank depositor, and the recorder of the cash receipts should be three different individuals. The bank depositor would pull all the yellow copies, ensure there is no unexplained gap in the sequence, make the deposit provided, and attach the applicable receipts to the bank deposit receipt. The receipts recorder would reconcile the yellow copies to the bank deposit.

Action Taken: We agree with the recommendation. Our targeted implementation date is March 2026.

If the Kansas State Department of Education and/or Kansas State Department of Administration has questions regarding this plan, please call Dr. Joel Applegate at 620-356-3655.

Sincerely yours,

Dr. Joel Applegate
Superintendent