UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended June 30, 2024

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 355 Ellinwood, Kansas
Ellinwood, Kansas

Report on the Audit of the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 355 Ellinwood, Kansas**, as of and for the year ended June 30, 2024 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matters discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *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 Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, summary of regulatory basis receipts and disbursements – agency funds, and schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2023 (not presented herein) ,and have issued our report thereon dated October 9, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024, on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

AdamsBrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

October 14, 2024

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Regulatory Basis Fund Types							
General Funds							
General Fund	$ -	-	4,303,516	4,303,516	**-**	-	**-**
Supplemental General Fund	180,683	-	1,576,322	1,540,008	**216,997**	-	**216,997**
Special Purpose Funds							
Capital Outlay Fund	345,803	-	631,469	746,721	**230,551**	321,700	**552,251**
Vocational Education Fund	-	-	236,213	236,213	**-**	-	**-**
Special Education Fund	69,406	-	798,271	804,175	**63,502**	-	**63,502**
Food Service Fund	54,582	-	342,477	390,502	**6,557**	-	**6,557**
Driver Training Fund	37,563	-	9,195	6,559	**40,199**	-	**40,199**
KPERS Retirement Contributions Fund	-	-	486,006	486,006	**-**	-	**-**
Professional Development Fund	75,528	-	10,984	22,731	**63,781**	-	**63,781**
Contingency Fund	728,539	-	-	-	**728,539**	-	**728,539**
Textbook Rental Fund	81,805	-	21,188	10,249	**92,744**	-	**92,744**
Title I, Part A Improving the Academic Achievement of Disadvantaged Fund	-	-	86,603	86,603	**-**	-	**-**
Title II, Part A Teacher Quality Fund	-	-	15,011	15,011	**-**	-	**-**
Title IV, Part A Student Support and Academic Enrichment Fund	-	-	13,678	13,678	**-**	-	**-**
Federal Funds Fund	-	-	601,312	601,312	**-**	-	**-**
At Risk (K-12) Fund	-	-	672,937	672,937	**-**	-	**-**
Recreation Commission Fund	-	-	121,200	121,200	**-**	-	**-**
District Activity Funds	71,983	-	177,410	162,890	**86,503**	-	**86,503**
Bond and Interest Fund							
Bond and Interest Fund	157,950	-	1,643	-	**159,593**	-	**159,593**
Total Primary Government (Excluding Agency Funds)	$ 1,803,842	-	10,105,435	10,220,311	**1,688,966**	321,700	**2,010,666**

Composition of Cash	Checking Accounts	$ **1,142,978**
	Certificates of Deposit	**936,389**
	Total Cash	**2,079,367**
	Agency Funds per Schedule 3	**(68,701)**
	Total Primary Government (Excluding Agency Funds)	$ **2,010,666**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 355 Ellinwood, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

Recreation Commission

Ellinwood 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. No audited financial statements are issued. Contact the recreation commission's office to obtain financial information of the recreation commission.

Basis of Presentation – Fund Accounting

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

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

Regulatory Basis Fund Types

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

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and

liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Reimbursements
The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – 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:

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

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

c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue 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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Contingency Fund, Textbook Rental Fund, Title I, Part A Improving the Academic Achievement of Disadvantaged Fund, Title II, Part A Teacher Quality Fund, Title IV, Part A Student Support and Academic Enrichment Fund, Federal Funds Fund and District Activity Funds.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Unified School District No. 355 Ellinwood, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

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 K.S.A. 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 "peak periods". All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $2,079,368 and the bank balance was $2,661,501. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and $2,161,501 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments
For an investment, this is the risk that, in the event of 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 at June 30, 2024.

NOTE 4 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 355 Ellinwood, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2024 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Special Education Fund	K.S.A. 72-5167	$	728,727
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167		448,422
General Fund	Food Service Fund	K.S.A. 72-5167		69,487
General Fund	Vocational Education Fund	K.S.A. 72-5167		236,213
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143		69,544
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143		224,515
Supplemental General Fund	Food Service Fund	K.S.A. 72-5143		8,543
Supplemental General Fund	Professional Development Fund	K.S.A. 72-5143		7,334

NOTE 5 –LITIGATION

Unified School District No. 355 Ellinwood, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than related to employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

NOTE 7 – GRANTS AND SHARED REVENUES

Unified School District No. 355 Ellinwood, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 8 – DEFERRED COMPENSATION PLAN

Unified School District No. 355 Ellinwood, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description

Unified School District No. 355 Ellinwood, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.88% and 13.11%, respectively, for the fiscal year ended June 30, 2024. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57%, respectively, for the fiscal year ended June 30, 2024.

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

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

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contributions withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which

totaled $486,006 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 $4,337,002. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 10 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **Unified School District No. 355 Ellinwood, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in 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.

As provided by K.S.A.74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2024.

NOTE 11 – COMPENSATED ABSENCES

Vacation
The superintendent is allowed 20 days of vacation per year and the business manager is allowed 10 days of vacation per year. Other classified personnel with 12 month contracts are allowed .8333 days per month of employment up to 14 years of service. For employees with 15 or more years of service, vacation will be accrued at the rate of 1.25 days per month.

Classified employees are encouraged to use their vacation before the end of the fiscal year; however, five days of vacation are allowed to be carried over according to the classified handbook.

Sick Leave
Certified Employees – The policy regarding sick leave is that all employees are allowed 10 days per year, accumulative to 60 or more days (could be from 60 to 70 days). The days not used for sick leave during that year above 60 days will be bought back at the end of the school year at a rate of $50 per day.

Classified Employees – Full-time employees are allowed 10 days per year, accumulative to 45 days. Upon termination of employment, no sick leave benefits will be paid out beyond the District's buy-back policy for certified personnel.

Sick Leave Pool – The sick leave pool is voluntary and open to all employees who receive sick leave from the District. The purpose of the sick leave pool is to allow staff members to contribute unused sick leave to a pool and allow participating members, who would otherwise have their pay reduced, draw from the pool and avoid having their pay reduced. Employees have until September 1st of each school year to deposit sick days to the bank. The number of sick leave days that can be drawn from the pool by one individual in any one fiscal year is limited to 20 percent of the days in the pool or 30 days, whichever is less. The number of sick leave days that can be drawn by all individuals is limited to the total days in the pool.

Personal Leave
Certified Employees – Each employee is allowed two days per year, accumulative to five days. At the end of the school year, the District will buy any accumulated personal days that exceed five days at a rate of $50 per day.

Classified Employees – Full-time employees are allowed two days personal leave per contract year. Each employee may accumulate personal leave to a maximum of five days. Employees may choose to redeem any or all at $40 per (8 hour) day.

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Summary of Expenditures - Actual and Budget
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)
Regulatory Basis Fund Types						
General Funds						
General Fund	$ 4,658,064	(393,302)	38,754	4,303,516	**4,303,516**	-
Supplemental General Fund	1,553,617	(131,070)	117,461	1,540,008	**1,540,008**	-
Special Purpose Funds						
Capital Outlay Fund	746,721	-	-	746,721	**746,721**	-
Vocational Education Fund	320,000	-	-	320,000	**236,213**	(83,787)
Special Education Fund	1,019,402	-	-	1,019,402	**804,175**	(215,227)
Food Service Fund	592,298	-	-	592,298	**390,502**	(201,796)
Driver Training Fund	40,000	-	-	40,000	**6,559**	(33,441)
KPERS Retirement Contributions Fund	594,844	-	-	594,844	**486,006**	(108,838)
Professional Development Fund	82,516	-	-	82,516	**22,731**	(59,785)
At Risk (K-12) Fund	801,000	-	-	801,000	**672,937**	(128,063)
Grants Fund	100,000	-	-	100,000	**-**	(100,000)
Recreation Commission Fund	154,543	-	-	154,543	**121,200**	(33,343)
Bond and Interest Fund						
Bond and Interest Fund	157,000	-	-	157,000	**-**	(157,000)

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Over (Under)
Receipts				
Mineral Severance Tax	$ 18,815	**13,597**	20,000	(6,403)
Intergovernmental Revenues				
State Special Education	549,333	**554,692**	660,962	(106,270)
Equalization Aid	3,445,794	**3,696,473**	3,977,102	(280,629)
Other State Aid	1,537	**2,032**	-	2,032
Reimbursed Expenses	24,159	**36,722**	-	36,722
Total Receipts	4,039,638	**4,303,516**	4,658,064	(354,548)
Expenditures				
Instruction	1,443,032	**1,429,061**	1,715,364	(286,303)
Student Support Services	32,152	**33,814**	38,000	(4,186)
Instructional Support Staff	386,412	**406,643**	300,000	106,643
General Administration	210,341	**219,099**	213,000	6,099
School Administration	262,779	**307,456**	423,000	(115,544)
Central Services	-	**-**	70,000	(70,000)
Operations and Maintenance	310,359	**354,209**	265,000	89,209
Student Transportation Services	55,330	**70,385**	63,700	6,685
Transfers Out	1,339,233	**1,482,849**	1,570,000	(87,151)
Adjustment to Comply With Legal Max	-	**-**	(393,302)	393,302
Legal General Fund Budget	4,039,638	**4,303,516**	4,264,762	38,754
(a) Adjustment for Qualifying Budget Credits	-	**-**	38,754	(38,754)
Total Expenditures	4,039,638	**4,303,516**	4,303,516	-
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

(a) Adjustment for Qualifying Budget Credits

Reimbursed Expenses Over Amount Budgeted	$ 36,722
Other State Aid Over Amount Budgeted	2,032
	$ 38,754

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues	$ 716,381	**811,199**	887,440	(76,241)
Intergovernmental Revenues				
Supplemental General State Aid	613,634	**647,543**	707,206	(59,663)
Federal Aid	30,847	**-**	-	-
Miscellaneous	-	**119**	-	-
Reimbursed Expenses	98,004	**117,461**	-	117,461
Total Receipts	1,458,866	**1,576,322**	1,594,646	(18,443)
Expenditures				
Instruction	345,361	**323,503**	341,617	(18,114)
Student Support Services	20,306	**24,830**	21,500	3,330
General Administration	63,663	**55,045**	58,000	(2,955)
School Administration	42,382	**44,822**	56,000	(11,178)
Operations and Maintenance	529,924	**674,537**	524,500	150,037
Student Transportation Services	47,684	**107,335**	51,000	56,335
Transfers Out	419,635	**309,936**	501,000	(191,064)
Adjustment to Comply With Legal Max	-	**-**	(131,070)	131,070
Legal Supplemental General Fund Budget	1,468,955	**1,540,008**	1,422,547	117,461
(a) Adjustment for Qualifying Budget Credits	-	**-**	117,461	(117,461)
Total Expenditures	1,468,955	**1,540,008**	1,540,008	-
Receipts Over (Under) Expenditures	(10,089)	**36,314**		
Unencumbered Cash - Beginning	190,772	**180,683**		
Unencumbered Cash - Ending	$ 180,683	**216,997**		

(a) Adjustment for Qualifying Budget Credits

Reimbursed Expenses Over Amount Budgeted	$ 117,461

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues	$ 318,695	**323,607**	278,757	44,850
Intergovernmental Revenues				
State Aid	106,715	**126,634**	121,730	4,904
Interest Income	427	**38,913**	-	38,913
Sale of Assets	12,149	**142,315**	-	142,315
Total Receipts	437,986	**631,469**	400,487	230,982
Expenditures				
Instruction	75,687	**27,063**	120,859	(93,796)
School Administration	-	**106,526**	-	106,526
Operations and Maintenance	156,212	**50,572**	573,920	(523,348)
Student Transportation	103,466	**321,700**	51,942	269,758
Kitchen Equipment	11,343	**-**	-	-
Student Activities Equpipment	13,459	**111,064**	-	111,064
Facility Acquisition and Construction	12,589	**129,796**	-	129,796
Total Expenditures	372,756	**746,721**	746,721	-
Receipts Over (Under) Expenditures	65,230	**(115,252)**		
Unencumbered Cash - Beginning	280,573	**345,803**		
Unencumbered Cash - Ending	$ 345,803	**230,551**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Transfers In	$ 241,396	**236,213**	320,000	(83,787)
Expenditures				
Instruction	241,128	**235,913**	320,000	(84,087)
Operations and Maintenance	268	**300**	-	300
Total Expenditures	241,396	**236,213**	320,000	(83,787)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Reimbursements	$ 480	**-**	-	-
Transfers In	817,333	**798,271**	950,000	(151,729)
Total Receipts	817,813	**798,271**	950,000	(151,729)
Expenditures				
Instruction	752,566	**747,362**	897,402	(150,040)
Student Transportation Services	65,303	**56,813**	122,000	(65,187)
Total Expenditures	817,869	**804,175**	1,019,402	(215,227)
Receipts Over (Under) Expenditures	(56)	**(5,904)**		
Unencumbered Cash - Beginning	69,462	**69,406**		
Unencumbered Cash - Ending	$ 69,406	**63,502**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 2,593	**1,884**	2,640	(756)
Federal Aid	221,811	**154,529**	251,715	(97,186)
Adult and Student Sales	101,100	**98,883**	283,360	(184,477)
Other Income	3,434	**9,151**	-	9,151
Transfers In	43,689	**78,030**	-	78,030
Total Receipts	372,627	**342,477**	537,715	(195,238)
Expenditures				
Food Service Operation	352,562	**390,502**	592,298	(201,796)
Receipts Over (Under) Expenditures	20,065	**(48,025)**		
Unencumbered Cash - Beginning	34,517	**54,582**		
Unencumbered Cash - Ending	$ 54,582	**6,557**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 3,920	**4,495**	5,400	(905)
Student Fees	3,375	**4,700**	4,000	700
Total Receipts	7,295	**9,195**	9,400	(205)
Expenditures				
Instruction	5,875	**6,503**	40,000	(33,497)
Operations and Maintenance	273	**56**	-	56
Total Expenditures	6,148	**6,559**	40,000	(33,441)
Receipts Over (Under) Expenditures	1,147	**2,636**		
Unencumbered Cash - Beginning	36,416	**37,563**		
Unencumbered Cash - Ending	$ 37,563	**40,199**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
KPERS Retirement Contributions Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year **Actual**	Current Year Budget	Current Year Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 475,875	**486,006**	594,844	(108,838)
Expenditures				
Instruction	295,568	**301,861**	369,844	(67,983)
Student Support Services	20,152	**20,581**	30,000	(9,419)
Instructional Support Staff	26,756	**27,325**	35,000	(7,675)
General Administration	11,868	**12,121**	15,000	(2,879)
School Administration	64,013	**65,376**	70,000	(4,624)
Central Services	4,134	**4,222**	5,000	(778)
Operations and Maintenance	28,523	**29,130**	35,000	(5,870)
Student Transportation Services	8,645	**8,829**	15,000	(6,171)
Food Service	16,216	**16,561**	20,000	(3,439)
Total Expenditures	475,875	**486,006**	594,844	(108,838)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 2,958	**3,650**	6,987	(3,337)
Transfers In	22,000	**7,334**	-	7,334
Total Receipts	24,958	**10,984**	6,987	3,997
Expenditures				
Instructional Support Staff	23,024	**22,303**	82,516	(60,213)
General Administration	800	**428**	-	428
Total Expenditures	23,824	**22,731**	82,516	(59,785)
Receipts Over (Under) Expenditures	1,134	**(11,747)**		
Unencumbered Cash - Beginning	74,394	**75,528**		
Unencumbered Cash - Ending	$ 75,528	**63,781**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Contingency 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, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts	$	-	**-**
Expenditures		-	**-**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		728,539	**728,539**
Unencumbered Cash - Ending	$	728,539	**728,539**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Textbook Rental 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, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Textbook Rental Fees	$	24,615	**21,188**
Transfers In		11,000	**-**
Total Receipts		35,615	**21,188**
Expenditures			
Textbook Purchases		35,574	**10,249**
Receipts Over (Under) Expenditures		41	**10,939**
Unencumbered Cash - Beginning		81,764	**81,805**
Unencumbered Cash - Ending	$	81,805	**92,744**

Schedule 2-12

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Title I, Part A Improving the Academic Achievement of Disadvantaged 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, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	69,558	**86,603**
Expenditures			
Instruction		69,558	**86,603**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Title II, Part A Teacher Quality 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, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	9,699	**15,011**
Expenditures			
Instruction		9,699	**15,011**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Title IV, Part A Student Support and Academic Enrichment 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, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid	$	13,840	**13,678**
Expenditures			
Instruction		13,840	**13,678**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Federal Funds 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, 2023)

		Prior Year Actual	**Current Year Actual**
Receipts			
Intergovernmental Revenues			
Federal Aid - ESSER	$	-	**601,312**
Expenditures			
Instruction		-	**601,312**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash - Beginning		-	**-**
Unencumbered Cash - Ending	$	-	**-**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Transfers In	$ 623,450	**672,937**	801,000	(128,063)
Expenditures				
Instruction	618,960	**668,396**	796,000	(127,604)
Student Support Services	4,490	**4,541**	5,000	(459)
Total Expenditures	623,450	**672,937**	801,000	(128,063)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

Schedule 2-17

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	Current Year		
		Actual	Budget	Variance Over (Under)
Receipts				
Miscellaneous	$ -	**-**	100,000	(100,000)
Expenditures				
Professional Services	-	**-**	100,000	(100,000)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes	$ 119,389	**121,200**	104,543	16,657
Other Revenue	-	**-**	50,000	(50,000)
Total Receipts	119,389	**121,200**	154,543	(33,343)
Expenditures				
Appropriations	119,389	**121,200**	154,543	(33,343)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, 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, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues	$ 973	**1,643**	-	1,643
Expenditures				
Bond Fees	-	**-**	157,000	(157,000)
Receipts Over (Under) Expenditures	973	**1,643**		
Unencumbered Cash - Beginning	156,977	**157,950**		
Unencumbered Cash - Ending	$ 157,950	**159,593**		

Schedule 3

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	**Ending Cash Balance**
High School				
Entrepreneurship	$ 229	-	-	**229**
National Honor Society	297	-	-	**297**
FFA	15,580	11,469	12,462	**14,587**
Kayette Club	676	156	335	**497**
Cheer - Spirit Squad	1,646	14,617	14,555	**1,708**
StuCo	3,366	3,804	3,327	**3,843**
Future Business Leaders of America	3,880	294	2,783	**1,391**
High School Band	4,064	620	10	**4,674**
Band Fundraisers	4,209	150	-	**4,359**
Mystic Blues	7,350	895	-	**8,245**
Vocational Agriculture	3,187	-	7	**3,180**
Vo-Ag Memorial Fund	1,563	-	63	**1,500**
Hope Tree Fund	323	-	-	**323**
Computer Technology	1,912	-	-	**1,912**
EHS After-Prom Organization	3,211	12,342	13,570	**1,983**
Social Committee	209	220	301	**128**
Culinary Arts	-	211	200	**11**
Middle School Spirit Squad	-	2,434	597	**1,837**
Class of 2021	2,412	-	-	**2,412**
Class of 2024	2,078	-	1,406	**672**
Class of 2025	-	5,470	2,400	**3,070**
Total High School	56,192	52,682	52,016	**56,858**
Grade School				
Student Success	6,609	3,295	3,508	**6,396**
Families	72	-	-	**72**
Measurement Day	2	-	-	**2**
Nature Center	477	-	-	**477**
Raised Beds	702	-	-	**702**
PAC	-	4,196	251	**3,945**
Santa's Workshop	144	105	-	**249**
Total Grade School	8,006	7,596	3,759	**11,843**
Insurance Clearing Fund	5,036	17,163	22,199	**-**
Total Agency Funds	$ 69,234	77,441	77,974	**68,701**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Encumbrances and Accounts Payable	**Ending Cash Balance**
Gate Receipts	$ 2,198	-	22,186	17,249	**7,135**	-	**7,135**
Athletics	2,608	-	26,646	24,154	**5,100**	-	**5,100**
Concessions	29,105	-	56,874	52,985	**32,994**	-	**32,994**
Student Success	1,939	-	-	583	**1,356**	-	**1,356**
Kind-Nest	199	-	-	108	**91**	-	**91**
Activity - Miscellaneous	6,029	-	3,215	1,828	**7,416**	-	**7,416**
Library	11,797	-	2,178	1,491	**12,484**	-	**12,484**
Music Equipment	1,286	-	-	-	**1,286**	-	**1,286**
Technology Fund	-	-	1,736	605	**1,131**	-	**1,131**
Woodworking	958	-	1,460	2,087	**331**	-	**331**
Musical	8,777	-	1,975	1,856	**8,896**	-	**8,896**
Yearbook - High School/Middle School	-	-	5,492	5,492	**-**	-	**-**
Yearbook - Grade School	448	-	1,095	748	**795**	-	**795**
Bank Fees for Lunch Collections	167	-	-	-	**167**	-	**167**
GS Misc. Activity	235	-	515	415	**335**	-	**335**
GS Fees	81	-	52,844	52,786	**139**	-	**139**
Sunflower ABC's Program	6,156	-	1,194	503	**6,847**	-	**6,847**
Total District Activity Funds	$ 71,983	-	177,410	162,890	**86,503**	-	**86,503**

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS

Single Audit Information

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

To the Board of Education
Unified School District No. 355 Ellinwood, Kansas
Ellinwood, Kansas

We have audited, in accordance with the 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, the financial statement of **Unified School District No. 355 Ellinwood, Kansas**, as of and for the year ended June 30, 2024, and the related notes to the financial statement, and have issued our report thereon dated October 14, 2024. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Unified School District No. 355 Ellinwood, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 355 Ellinwood, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 355 Ellinwood, Kansas'** internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 355 Ellinwood, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 355 Ellinwood, Kansas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on **Unified School District No. 355 Ellinwood, Kansas'** response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. **Unified School District No. 355 Ellinwood, Kansas'** 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

October 14, 2024

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

To the Board of Education
Unified School District No. 355 Ellinwood, Kansas
Ellinwood, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 355 Ellinwood, Kansas'** compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 355 Ellinwood, Kansas'** major federal programs for the year ended June 30, 2024. **Unified School District No. 355 Ellinwood, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Unified School District No. 355 Ellinwood, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Unified School District No. 355 Ellinwood, Kansas** 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 No. 355 Ellinwood, Kansas'** 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 No. 355 Ellinwood, Kansas'** federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Unified School District No. 355 Ellinwood, Kansas'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 No. 355 Ellinwood, Kansas'** 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 No. 355 Ellinwood, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of **Unified School District No. 355 Ellinwood, Kansas'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 355 Ellinwood, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed 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 item 2024-002. 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 No. 355 Ellinwood, Kansas'** response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **Unified School District No. 355 Ellinwood, Kansas'** 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

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 No. 355 Ellinwood, Kansas'** 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 No. 355 Ellinwood, Kansas'** 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.



ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

October 14, 2024

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Schedule of Expenditures of Federal Awards
June 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education			
Direct Aid			
Rural Education	84.358	S358A231187	$ 44,743
Passed Through Kansas Department of Education			
Student Support and Academic Enrichment Program	84.424	D0355	13,678
Supporting Effective Instruction State Grants	84.367	D0355	15,011
Title I Grants to Local Educational Agencies	84.010	D0355	86,603
COVID-19 Funding			
Education Stabilization Fund			
American Rescue Plan -			
Elementary and Secondary School Emergency Relief	84.425U	D0355	601,312
Total U.S. Department of Education			761,347
U.S. Department of Agriculture			
Passed Through Kansas Department of Education			
Local Food for Schools Cooperative Agreement Program	10.185	D0355	4,240
Child Nutrition Cluster			
Summer Food Service Program for Children	10.559	D0355	33,731
National School Lunch Program	10.555	D0355	94,307
School Breakfast Program	10.553	D0355	22,041
Total U.S. Department of Agriculture			154,319
Total Expenditures of Federal Awards			$ **915,666**

Note - There were no awards made to subrecipients for the 2023-2024 Fiscal Year.

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, 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 includes the federal grant activity of **Unified School District No. 355 Ellinwood, Kansas** under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in accordance with the regulatory basis of accounting. This is the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 4 – OTHER EXPENDITURES

The District did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees and incurred no expenditures in relation thereof for the year ended June 30, 2024.

UNIFIED SCHOOL DISTRICT NO. 355 ELLINWOOD, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued on whether the financial statement was prepared in accordance with a special purpose framework that is not in compliance with GAAP:			Unmodified	
Internal control over financial reporting:				
• Material weakness identified?	X	Yes		No
• Significant deficiency identified?		Yes	X	None reported
• Noncompliance material to financial statements noted?		Yes	X	No

FEDERAL AWARDS

Internal control over major programs:				
• Material weakness identified?		Yes	X	No
• Significant deficiency identified?	X	Yes		None reported
Type of auditors' report issued on compliance for major programs:			Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?	X	Yes		No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
84.425U	Education Stabilization Fund American Rescue Plan - Elementary and Secondary School Emergency Relief

Dollar threshold used to distinguish between Type A and Type B programs:			$ 750,000	
Auditee qualified as low-risk auditee?		Yes	X	No

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2024-001

Criteria or specific requirement
Internal controls should be in place to ensure that employees do not have overlapping duties.

Condition
Proper segregation of duties does not exist in the accounting system.

Context
We determined, through inquiry and documentation of the District's internal controls, that there is a failure to properly segregate duties for the financial reporting process.

Cause
The District is unable to hire additional personnel due to its size.

Effect
Management may not become aware of problems or irregularities in a timely manner.

Recommendation
Procedures should be established and implemented to segregate duties in the receipts, expenditures, payroll and accounts payable cycles to strengthen internal controls. Also, involvement of the Board can mitigate the risk of errors or fraud. The Board should remain involved in the financial affairs of the District to provide oversight and independent review functions.

Views of responsible officials
See Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2024-002

Federal program
Education Stabilization Fund – 84.425

Compliance requirements
Activities Allowed and Unallowed and Allowable Costs and Cost Principles

Criteria or specific requirement
Internal controls should be in place to ensure that costs are correctly charged as to account, amount, and period, and to ensure that costs are adequately documented and supported.

Condition
During inquiry of District personnel and review of program documents, we identified that certain amounts booked with journal entries to the program expenditure account either could not be fully substantiated with supporting documentation or were booked to an incorrect period.

Context
Two program transactions were found to have exceptions.

Regarding the first transaction, for each payroll period, a manual calculation of the afterschool tutoring hours was performed to identify the wages and taxes that needed to be moved to the program expenditure account. For one month, an additional three hours were listed that could not be matched to a specific employee or to any other supporting documentation. This resulted in an additional $101 being charged to the program.

Regarding the second transaction, it was determined that hours worked for summer school in July of 2024 were booked with a journal entry to the program expenditure account in fiscal year 2024. However, since the underlying activity occurred in fiscal year 2025, the original expense transaction was not accrued and recorded within the accounting records until fiscal year 2025. This resulted in $1,987 being expensed to the program in fiscal year 2024 that should not have been recognized until year 2025.

Cause
Human error occurred during the process of manually creating journal entries to book expenditures to the program.

Effect
Expenditures were incorrectly charged to the program for the period under audit.

Recommendation
We recommend that the District carefully review supporting documentation when preparing journal entries associated with federal programs.

Views of responsible officials
See Corrective Action Plan.

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2023-001

Condition
Proper segregation of duties does not exist in the accounting system.

Corrective Actions
The District implements segregation of duties wherever possible, given its size.

Status
Repeat Finding. See 2024-001.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs for the year ended June 30, 2023 are required to be disclosed under the Uniform Guidance.