USD 415 - HIAWATHA

Hiawatha, Kansas

FINANCIAL STATEMENT

June 30, 2025

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

USD 415 - HIAWATHA
Hiawatha, Kansas
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January 22, 2026

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
USD 415 - Hiawatha
Hiawatha, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of USD 415 - Hiawatha (the District), as of and for the year ended 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 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, 2025, 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, 2025, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), KMAAG 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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.

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Auditor's Responsibilities for the Audit of the Financial Statement

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

In performing an audit in accordance with GAAS, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not required part of the basic financial statement; however, are required to be presented under the provisions of the KMAAG. 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, 2024 (not presented herein), and have issued our report thereon dated November 7, 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 website of the Kansas Department of Administration at the following link https://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, 2025 (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 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 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, 2025, on the basis of accounting described in Note 1.

Other Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the District's basic financial statement. 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 is presented for purposes of additional analysis 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 itself, 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.

Other Reporting Required by Government Auditing Standards
In accordance with Government Auditing Standards, we have also issued our report dated January 22, 2026 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

USD 415 - HIAWATHA
Hiawatha, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds							
General	$ -	$ 2,358	$ 8,562,149	$ 8,564,507	$ -	$ 785,629	$ 785,629
Supplemental General	119,765	6,231	2,608,288	2,693,935	40,349	8,377	48,726
Special Purpose Funds							
Budgeted							
Bilingual Education	27,974	-	2,984	3,222	27,736	463	28,199
Virtual Education	19,548	-	-	-	19,548	-	19,548
Capital Outlay	2,092,721	70,951	1,051,481	1,543,305	1,671,848	38,987	1,710,835
Driver Training	30,572	-	7,690	4,707	33,555	-	33,555
Food Service	247,704	-	645,667	765,853	127,518	2,901	130,419
Professional Development	47,941	113	-	27,804	20,250	-	20,250
Parent Education	30,500	-	-	27,000	3,500	-	3,500
Special Education	817,300	-	1,705,257	1,759,425	763,132	-	763,132
Career & Postsecondary Education	127,861	1,033	177,736	300,459	6,171	36,199	42,370
KPERS Special Retirement Contribution	-	-	830,907	830,907	-	-	-
Preschool-Aged At-Risk	74,226	-	18,804	93,030	-	11,900	11,900
At-Risk (K-12)	57,536	875	1,532,956	1,553,107	38,260	117,495	155,755
Non-Budgeted							
Contingency Reserve	800,000	-	-	-	800,000	-	800,000
Gifts & Grants	179,065	-	62,156	35,628	205,593	10,808	216,401
Student Material Revolving	110,662	300	33,780	28,225	116,517	-	116,517
Textbook Rental	77,840	-	181,390	204,358	54,872	171,131	226,003
Title I Low Income	(37,072)	-	195,474	218,783	(60,381)	30,830	(29,551)
Title IIA Teacher Quality	(25)	105	8,617	34,505	(25,808)	2,171	(23,637)
Title IVA Academic Enrichment	-	-	20,981	20,981	-	-	-
ESSER II	(94,081)	-	94,081	-	-	-	-
ESSER III	(81,617)	26,505	369,141	314,029	-	-	-
Petty cash	2,392	-	2,393	-	4,785	-	4,785
District activities	76,647	-	170,008	166,256	80,399	-	80,399

(continued)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

USD 415 - HIAWATHA
Hiawatha, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund							
Bond & Interest	$ 2,000,305	$ -	$ 984,471	$ 932,012	$ 2,052,764	$ -	$ 2,052,764
Trust Funds							
Cox Scholarship	539	-	-	49	490	-	490
Virginia Ruth Scholarship	250,836	-	110	17,000	233,946	-	233,946
Crow Memorial Scholarship	88	-	92	75	105	-	105
Kidwell Memorial Scholarship	3,021	-	1	125	2,897	-	2,897
Total Reporting Entity (Excluding Agency Funds)	$ 6,982,248	$ 108,471	$ 19,266,614	$ 20,139,287	$ 6,218,046	$ 1,216,891	$ 7,434,937

Composition of Cash	
Bank deposits	$ 7,551,327
Less: Agency funds per Schedule 3	(116,390)
Total Reporting Entity (Excluding Agency Funds)	$ 7,434,937

STATEMENT 1 (CONTINUED)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

USD 415 - HIAWATHA
Hiawatha, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2025

Note 1: Summary of Significant Accounting Policies

USD #415 Hiawatha (the District) is a municipal corporation governed by an elected seven member board. The financial statement includes the District only.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. 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 District could have the following types of funds:

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

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

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

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

Trust Funds -- funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds -- used to report assets held by the District in a purely custodial capacity.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Use of Estimates

The preparation of a financial statement on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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) and bond and interest funds. 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal 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 hearing.

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 ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment to Comply with Legal Max - Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

Adjustment for Qualifying Budget Credits - Districts may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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 budget expenditure authority lapses at year end.

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

Contingency Reserve	Title I Low Income	ESSER II
Gifts and Grants	Title IIA Teacher Quality	ESSER III
Student Material Revolving	Title IVA	
Textbook Rental	Petty Cash	

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

Note 3: Deposits and Investments

K.S.A. 9-1401 established 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 or depository risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policies 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. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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, Kansas (FHLB), except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2025.

At June 30, 2025, the carrying amount of the District's bank deposits was $7,551,327. The bank balance was $7,940,977. The bank balance was held by three banks resulting in a concentration of deposit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, $512,534 was secured by FDIC insurance and the remaining balance was collateralized by bank pledged securities.

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.

Note 4: Interfund Transfers

The District made the following operating transfers which were approved by the Board of Education:

Fund From	Fund To	Statutory Authority	Amount
General	At-Risk (K-12)	K.S.A. 72-5167	$ 1,202,521
General	Special Education	K.S.A. 72-5167	992,118
General	Food Service	K.S.A. 72-5167	56,692
General	Textbook Rental	K.S.A. 72-5167	73,530
Supplemental	At-Risk (K-12)	K.S.A. 72-5143	330,435
Supplemental	Bilingual Education	K.S.A. 72-5143	2,984
Supplemental	Special Education	K.S.A. 72-5143	713,139
Supplemental	Preschool-Aged At-Risk	K.S.A. 72-5144	18,804
Supplemental	Textbook Rental	K.S.A. 72-5143	94,000
Supplemental	Food Service	K.S.A. 72-5143	1,033
Supplemental	Career and Postsecondary Education	K.S.A. 72-5143	164,000
	Total Transfers		$ 3,649,256

Note 5: Other Long-Term Obligations from Operations

Other Post Employment Benefits

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

Compensated Absences

Most administrative and classified personnel employed on a twelve month full-time (32 hours per week) status are eligible for a paid two week vacation. Following the completion of ten years of employment, the employee is eligible for three weeks paid vacation. Only one week of unused vacation may be carried into the next year. A week is defined as five working days. It is the District's policy to pay employees accrued vacation pay upon termination of employment.

The District also has available sick leave for all. Employees accrue sick leave at the rate of fifteen days per year, with the maximum accumulation of one hundred days. Upon termination, employees are not paid for any accumulated sick leave.

Note 5: Other Long-Term Obligations from Operations (Continued)

Termination Benefits

Resignation Compensation

The District provides a plan which covers classified personnel who are eligible to receive retirement benefits from either the Kansas Public Employees Retirement System or the Social Security Administration and have been employed by the district for at least fifteen years. To be eligible, the District must receive the employee's retirement resignation by February 15 of the year in which the retirement occurs. Eligible classified employees will receive a one-time payment based on the number of years of service in the District, payable in a lump sum at the end of the school year. The amount of the compensation is determined as follows:

Years of Service to the District	Classified Compensation
15 Years	$ 1,500
Per Year Beyond 15 Years	50

Certified and administrative employees receive a $1,500 increase to their final contract if a letter of resignation is submitted by July 1, prior to the year they are leaving. A $500 increase to the final contract is provided if a letter of resignation is submitted by January 1 of the year they are leaving. These benefits are offered to certified and administrative employees, with no conditions related to years of service.

Health Insurance Plan

The certified and administrative employees who retire under the plan are eligible to continue in the health insurance plan of the District as well as receive the District's contribution for the single health insurance policy equal to the benefit given in the year of retirement until the employee reaches age 65. Beginning in the 2016-2017 school year, the employer subsidized post-retirement health insurance payment will reduce by 10% each year.

Note 6: Claims and Judgements

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 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 from 2024 to 2025, and there were no settlements that exceeded insurance coverage in the past three years.

Note 7: Long-Term Debt

Changes in long-term liabilities of the District for the year were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds									
Series 2021 Refunding Bonds	.2 to 1.55%	6/29/2021	$ 5,065,000	9/1/2028	$ 4,515,000	$ -	$ 885,000	$ 3,630,000	$ 47,011

Current Maturities of long-term debt and interest for the next five years and in five year increments through the maturity are as follows:

	2026	2027	2028	2029	Total
Principal					
Series 2021	$ 895,000	$ 900,000	$ 910,000	$ 925,000	$ 3,630,000
Interest					
Series 2021	$ 40,550	$ 31,572	$ 20,480	$ 7,169	$ 99,771
Total Debt Payments	$ 935,550	$ 931,572	$ 930,480	$ 932,169	$ 3,729,771

Note 8: Pension Plans

Defined Benefit Pension Plan

Plan description: The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at KSPERS.gov 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 after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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 was 11.60% and 11.54% 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 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 $830,907 for the year ended June 30, 2025.

Note 8: Pension Plans (Continued)

Defined Benefit Pension Plan (Continued)

Net Pension Liability: At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $7,850,040. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the 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 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 KSPERS.gov or can be obtained as described above.

Note 9: Subsequent Events

The District evaluated subsequent events through January 22, 2026, the date the financial statement was available to be issued.

Note 10: Stewardship, Compliance and Accountability

Funds with a Deficit Unencumbered Cash Balance - Generally, municipals are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A. 12-1664 provides an exception for those funds which are to be financed by Federal government sources. This exception allows these funds to expend in excess of currently available resources with the expectation that the District will be reimbursed for qualifying grant expenditures.

The following funds had a deficit balance of unencumbered cash as of June 30, 2025: Title I Low Income and Title IIA Teacher Quality. These funds are financed by State and Federal funding and the District is expecting reimbursement of qualifying grant expenditures.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

USD 415 - HIAWATHA
Hiawatha, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2025

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)
Governmental Type Funds						
General Funds						
General	$ 8,659,562	$ (98,933)	$ 3,878	$ 8,564,507	$ 8,564,507	$ -
Supplemental General	2,712,930	-	-	2,712,930	2,693,935	(18,995)
Special Purpose Funds						
Bilingual Education	29,649	-	-	29,649	3,222	(26,427)
Virtual Education	19,547	-	-	19,547	-	(19,547)
Capital Outlay	2,915,215	-	-	2,915,215	1,543,305	(1,371,910)
Driver Training	34,082	-	-	34,082	4,707	(29,375)
Food Service	981,639	-	-	981,639	765,853	(215,786)
Professional Development	70,490	-	-	70,490	27,804	(42,686)
Parent Education	30,500	-	-	30,500	27,000	(3,500)
Special Education	2,382,955	-	-	2,382,955	1,759,425	(623,530)
Career and Postsecondary Education	322,628	-	-	322,628	300,459	(22,169)
KPERS Special Retirement Contribution	1,016,189	-	-	1,016,189	830,907	(185,282)
Preschool-Aged At-Risk	117,536	-	-	117,536	93,030	(24,506)
At-Risk (K-12)	1,679,552	-	-	1,679,552	1,553,107	(126,445)
Bond and Interest Fund						
Bond and Interest	932,022	-	-	932,022	932,012	(10)
Total of all Funds	$ 21,904,496	$ (98,933)	$ 3,878	$ 21,809,441	$ 19,099,273	$ (2,710,168)

USD 415 - HIAWATHA
Hiawatha, 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	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Reimbursed expenditures	$ 16	$ 1,520	$ -	$ 1,520
State Sources				
General state aid	8,446,035	7,568,511	7,479,368	89,143
Special education aid	-	992,118	1,180,194	(188,076)
Total Cash Receipts	$ 8,446,051	$ 8,562,149	$ 8,659,562	$ (97,413)
EXPENDITURES				
Instruction	$ 3,636,254	$ 4,047,250	$ 3,892,344	$ 154,906
Student support services	131,116	147,734	182,364	(34,630)
Instructional support staff	232,482	186,409	254,968	(68,559)
General administration	363,548	399,835	390,944	8,891
School administration	711,327	809,985	736,495	73,490
Central services	281,528	280,489	296,938	(16,449)
Operations and maintenance	12,660	15,777	36,000	(20,223)
Student transportation	353,044	352,167	373,183	(21,016)
Transfers to other funds	2,733,301	2,324,861	2,496,326	(171,465)
Adjustment to comply with legal maximum	-	-	(98,933)	98,933
Legal general fund budget and expenditures	$ 8,455,260	$ 8,564,507	$ 8,560,629	$ 3,878
Adjustments for qualifying budget credits	-	-	3,878	(3,878)
Total Expenditures	$ 8,455,260	$ 8,564,507	$ 8,564,507	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (9,209)	$ (2,358)		
UNENCUMBERED CASH - BEGINNING	-	-		
Cancellation of Encumbrance	9,209	2,358		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 415 - HIAWATHA
Hiawatha, 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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 2,419,522	$ 2,439,125	$ 2,456,776	$ (17,651)
Delinquent taxes	29,706	27,147	11,046	16,101
County Sources				
Motor vehicle taxes	114,846	124,058	123,917	141
Recreational vehicle taxes	2,989	2,891	2,996	(105)
Commercial vehicle taxes	14,960	15,042	14,654	388
In lieu of taxes	498	25	-	25
Total Cash Receipts	$ 2,582,521	$ 2,608,288	$ 2,609,389	$ (1,101)
EXPENDITURES				
Instruction	$ 118,145	$ 188,138	$ 143,726	$ 44,412
Student support services	446	155	-	155
Instructional support staff	-	-	1,000	(1,000)
General administration	34,655	36,602	47,700	(11,098)
School administration	43,239	44,240	49,300	(5,060)
Central services	555	-	1,000	(1,000)
Operations and maintenance	1,282,359	1,076,257	1,617,515	(541,258)
Student transportation	10,196	21,645.00	18,500	3,145
Other support services	2,642	2,503	5,500	(2,997)
Transfers to other funds	1,087,606	1,324,395	828,689	495,706
Adjustment to comply with legal maximum	-	-	-	-
Total Expenditures	$ 2,579,843	$ 2,693,935	$ 2,712,930	$ (18,995)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,678	$ (85,647)		
UNENCUMBERED CASH - BEGINNING	116,985	119,765		
Cancellation of Encumbrance	102	6,231		
UNENCUMBERED CASH - ENDING	$ 119,765	$ 40,349		

USD 415 - HIAWATHA
Hiawatha, Kansas
BILINGUAL EDUCATION
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)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 23,301	$ 2,984	$ 1,675	$ 1,309
EXPENDITURES				
Instruction	$ 25,531	$ 3,222	$ 29,649	$ (26,427)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,230)	$ (238)		
UNENCUMBERED CASH - BEGINNING	30,204	27,974		
UNENCUMBERED CASH - ENDING	$ 27,974	$ 27,736		

USD 415 - HIAWATHA
Hiawatha, Kansas
VIRTUAL EDUCATION
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)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 10,000	$ -	$ -	$ -
EXPENDITURES				
Instruction	$ 10,278	$ -	$ 19,547	$ (19,547)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (278)	$ -		
UNENCUMBERED CASH - BEGINNING	19,826	19,548		
UNENCUMBERED CASH - ENDING	$ 19,548	$ 19,548		

USD 415 - HIAWATHA
Hiawatha, 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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem taxes	$ 598,180	$ 759,812	$ 767,580	$ (7,768)
Delinquent taxes	10,577	8,477	2,704	5,773
Interest On Idle Funds	126,018	129,316	-	129,316
Other	131,653	107,885	-	107,885
County Sources				
Motor vehicle taxes	47,688	45,026	40,480	4,546
Recreational vehicle taxes	1,097	965	979	(14)
Commercial vehicle taxes	-	-	4,787	(4,787)
Transfers from other funds	115,256	-	-	-
Total Cash Receipts	$ 1,030,469	$ 1,051,481	$ 816,530	$ 234,951
EXPENDITURES				
Instruction	$ 191,439	$ 194,464	$ 250,100	$ (55,636)
Student support services	-	6,274	82,000	(75,726)
General administration	4,078	-	5,000	(5,000)
School administration	23,970	13,763	32,000	(18,237)
Central services	-	11,324	-	11,324
Operations and maintenance	217,696	477,683	866,595	(388,912)
Student transportation	77,310	165,481	483,600	(318,119)
Facility acquisition and construction	333,062	674,316	1,195,920	(521,604)
Total Expenditures	$ 847,555	$ 1,543,305	$ 2,915,215	$ (1,371,910)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 182,914	$ (491,824)		
UNENCUMBERED CASH - BEGINNING	1,909,807	2,092,721		
Cancellation of Encumbrance	-	70,951		
UNENCUMBERED CASH - ENDING	$ 2,092,721	$ 1,671,848		

USD 415 - HIAWATHA
Hiawatha, 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)
CASH RECEIPTS				
Local Sources				
Other	$ -	$ 4,500	$ -	$ 4,500
State Sources				
State safety aid	3,770	3,190	3,510	(320)
Total Cash Receipts	$ 3,770	$ 7,690	$ 3,510	$ 4,180
EXPENDITURES				
Instruction	$ 5,008	$ 4,707	$ 34,082	$ (29,375)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,238)	$ 2,983		
UNENCUMBERED CASH - BEGINNING	31,810	30,572		
UNENCUMBERED CASH - ENDING	$ 30,572	$ 33,555		

USD 415 - HIAWATHA
Hiawatha, 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	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Food service sales	$ 183,558	$ 173,913	$ 246,310	$ (72,397)
State Sources				
School food assistance	4,992	4,792	5,100	(308)
Federal Sources				
Child nutrition programs	424,909	409,237	490,534	(81,297)
Other Sources				
Transfers from other funds	84,064	57,725	-	57,725
Total Cash Receipts	$ 697,523	$ 645,667	$ 741,944	$ (96,277)
EXPENDITURES				
Food service	$ 701,638	$ 765,853	$ 981,639	$ (215,786)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (4,115)	$ (120,186)		
UNENCUMBERED CASH - BEGINNING	251,819	247,704		
UNENCUMBERED CASH - ENDING	$ 247,704	$ 127,518		

USD 415 - HIAWATHA
Hiawatha, 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	Current Year Variance - Over (Under)
CASH RECEIPTS				
State Sources				
Professional development aid	$ -	$ -	$ 6,436	$ (6,436)
Other Sources				
Transfers from other funds	8,000	-	16,000	(16,000)
Total Receipts	$ 8,000	$ -	$ 22,436	$ (22,436)
EXPENDITURES				
Instructional support staff	$ 9,055	$ 26,410	$ 67,990	$ (41,580)
Central services	1,713	1,394	2,500	(1,106)
Total Expenditures	$ 10,768	$ 27,804	$ 70,490	$ (42,686)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (2,768)	$ (27,804)		
UNENCUMBERED CASH - BEGINNING	50,059	47,941		
Cancellation of Encumbrance	650	113		
UNENCUMBERED CASH - ENDING	$ 47,941	$ 20,250		

USD 415 - HIAWATHA
Hiawatha, Kansas
PARENT 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	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 30,000	$ -	$ -	$ -
EXPENDITURES				
Student support services	$ 25,000	$ 27,000	$ 30,500	$ (3,500)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,000	$ (27,000)		
UNENCUMBERED CASH - BEGINNING	25,500	30,500		
UNENCUMBERED CASH - ENDING	$ 30,500	$ 3,500		

USD 415 - HIAWATHA
Hiawatha, 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)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 1,727,999	$ 1,705,257	$ 1,565,655	$ 139,602
EXPENDITURES				
Instruction	$ 1,715,160	$ 1,758,852	$ 2,379,515	$ (620,663)
Operations and maintenance	1,855	573	3,440	(2,867)
Total Expenditures	$ 1,717,015	$ 1,759,425	$ 2,382,955	$ (623,530)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 10,984	$ (54,168)		
UNENCUMBERED CASH - BEGINNING	806,316	817,300		
UNENCUMBERED CASH - ENDING	$ 817,300	$ 763,132		

USD 415 - HIAWATHA
Hiawatha, Kansas
CAREER AND POSTSECONDARY EDUCATION
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)
CASH RECEIPTS				
State Sources				
CTE transportation aid	$ 83,048	$ 13,736	$ 117,350	$ (103,614)
Federal Sources				
CTE basic aid	3,441	-	-	-
Other Sources				
Transfers from other funds	210,252	164,000	77,234	86,766
Total Cash Receipts	$ 296,741	$ 177,736	$ 194,584	$ (16,848)
EXPENDITURES				
Instruction	$ 263,119	$ 277,359	$ 294,573	$ (17,214)
Student transportation services	26,712	23,100	28,055	(4,955)
Total Expenditures	$ 289,831	$ 300,459	$ 322,628	$ (22,169)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 6,910	$ (122,723)		
UNENCUMBERED CASH - BEGINNING	120,951	127,861		
Cancellation of Encumbrance	-	1,033		
UNENCUMBERED CASH - ENDING	$ 127,861	$ 6,171		

USD 415 - HIAWATHA
Hiawatha, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION 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)
CASH RECEIPTS				
State Sources				
State Aid	$ 883,643	$ 830,907	$ 1,016,189	$ (185,282)
EXPENDITURES				
Instruction	$ 552,150	$ 519,198	$ 634,973	$ (115,775)
Student support services	45,459	42,746	52,278	(9,532)
Instructional support staff	24,732	23,256	28,442	(5,186)
General administration	32,037	30,125	36,843	(6,718)
School administration	80,671	75,856	92,772	(16,916)
Central services	38,333	36,045	44,082	(8,037)
Operations and maintenance	66,400	62,437	76,360	(13,923)
Student transportation	21,594	20,306	24,833	(4,527)
Food service	22,267	20,938	25,606	(4,668)
Total Expenditures	$ 883,643	$ 830,907	$ 1,016,189	$ (185,282)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

USD 415 - HIAWATHA
Hiawatha, 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	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfers in from other funds	$ 98,428	$ 18,804	$ 43,310	$ (24,506)
EXPENDITURES				
Instruction	$ 97,383	$ 93,030	$ 117,536	$ (24,506)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,045	$ (74,226)		
UNENCUMBERED CASH - BEGINNING	73,181	74,226		
UNENCUMBERED CASH - ENDING	$ 74,226	$ -		

USD 415 - HIAWATHA
Hiawatha, Kansas
AT-RISK (K-12) 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)
CASH RECEIPTS				
Other Sources				
Transfers from other funds	$ 1,513,607	$ 1,532,956	$ 1,621,141	$ (88,185)
EXPENDITURES				
Instruction	$ 1,460,672	$ 1,321,616	$ 1,530,941	$ (209,325)
Student support services	141,714	231,491	148,611	82,880
Total Expenditures	$ 1,602,386	$ 1,553,107	$ 1,679,552	$ (126,445)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (88,779)	$ (20,151)		
UNENCUMBERED CASH - BEGINNING	145,731	57,536		
Cancellation of Encumbrance	584	875		
UNENCUMBERED CASH - ENDING	$ 57,536	$ 38,260		

USD 415 - HIAWATHA
Hiawatha, 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	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem tax	$ 909,089	$ 919,149	$ 934,292	$ (15,143)
Delinquent tax	12,500	10,660	4,147	6,513
County Sources				
Motor vehicle tax	44,482	47,868	47,728	140
Recreational vehicle tax	1,159	1,116	1,154	(38)
Commercial vehicle tax	5,837	5,668	5,644	24
In lieu of tax	187	10	-	10
Total Cash Receipts	$ 973,254	$ 984,471	$ 992,965	$ (8,494)
EXPENDITURES				
Debt service	$ 916,745	$ 932,012	$ 932,022	$ (10)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 56,509	$ 52,459		
UNENCUMBERED CASH - BEGINNING	1,943,796	2,000,305		
UNENCUMBERED CASH - ENDING	$ 2,000,305	$ 2,052,764		

USD 415 - HIAWATHA
Hiawatha, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS
For the Year Ended June 30, 2025

	Petty Cash	Contingency Reserve	Gifts & Grants	Student Material Revolving	Textbook Rental
RECEIPTS					
Local Sources					
Student activities	$ -	$ -	$ -	$ 33,780	$ -
Other	2,393	-	62,156	-	13,860
Transfers in	-	-	-	-	167,530
Total Receipts	$ 2,393	$ -	$ 62,156	$ 33,780	$ 181,390
EXPENDITURES					
Instruction	$ -	$ -	$ 22,153	$ 26,311	$ 204,358
Student support services	-	-	3,105	-	-
Instructional support staff	-	-	10,370	1,914	-
Total Expenditures	$ -	$ -	$ 35,628	$ 28,225	$ 204,358
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,393	$ -	$ 26,528	$ 5,555	$ (22,968)
UNENCUMBERED CASH - BEGINNING	2,392	800,000	179,065	110,662	77,840
Cancellation of Encumbrance	-	-	-	300	-
UNENCUMBERED CASH - ENDING	$ 4,785	$ 800,000	$ 205,593	$ 116,517	$ 54,872

(Continued)

USD 415 - HIAWATHA
Hiawatha, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
NON-BUDGETED FUNDS (CONTINUED)
For the Year Ended June 30, 2025

	Title I Low Income	Title IIA Teacher Quality	ESSER II	ESSER III	Title IVA Ac Enrichmt
RECEIPTS					
Federal Sources					
Federal Aid	$ 195,474	$ 8,617	$ 94,081	$ 369,141	$ 20,981
EXPENDITURES					
Instruction	$ 218,783	$ 11,597	$ -	$ 260,317	$ 20,981
Student support services	-	-	-	53,712	-
Instructional support staff	-	22,908	-	-	-
Total Expenditures	$ 218,783	$ 34,505	$ -	$ 314,029	$ 20,981
RECEIPTS OVER (UNDER) EXPENDITURES	$ (23,309)	$ (25,888)	$ 94,081	$ 55,112	$ -
UNENCUMBERED CASH - BEGINNING	(37,072)	(25)	(94,081)	(81,617)	-
Cancellation of Encumbrance	-	105	-	26,505	-
UNENCUMBERED CASH - ENDING	$ (60,381)	$ (25,808)	$ -	$ -	$ -

USD 415 - HIAWATHA
Hiawatha, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
Regulatory Basis
TRUST FUNDS
For the Year Ended June 30, 2025

	Cox Scholarship	Virginia Ruth Scholarship	Crow Memorial Scholarship	Kidwell Memorial Scholarship
RECEIPTS				
Local Sources				
Interest On Idle Funds	$ -	$ 110	$ 92	$ 1
EXPENDITURES				
Other	$ 49	$ 17,000	$ 75	$ 125
RECEIPTS OVER (UNDER) EXPENDITURES	$ (49)	$ (16,890)	$ 17	$ (124)
UNENCUMBERED CASH - BEGINNING	539	250,836	88	3,021
UNENCUMBERED CASH - ENDING	$ 490	$ 233,946	$ 105	$ 2,897

USD 415 - HIAWATHA
Hiawatha, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2025

	Balance July 1, 2024	Cash Receipts	Cash Disbursements	Balance June 30, 2025
Student Organization Funds				
Middle School				
Miscellaneous	$ -	$ 100	$ 503	$ (403)
Sales tax	349	2,992	1,988	1,353
Clubs	-	254	254	-
Student Council	3,839	10,124	6,496	7,467
Trips and fundraisers	7,227	3,439	6,694	3,972
Yearbook miscellaneous	522	525	1,047	-
Total Middle School	$ 11,937	$ 17,434	$ 16,982	$ 12,389
High School				
Clubs	$ 90,477	$ 106,759	$ 104,383	$ 92,853
Graduating Classes	1,806	10,754	8,994	3,566
Integration Fund	3,436	-	-	3,436
Miscellaneous	8,346	8,033	12,269	4,110
Sales tax	25	10,728	10,717	36
Total High School	$ 104,090	$ 136,274	$ 136,363	$ 104,001
Total Agency Funds	$ 116,027	$ 153,708	$ 153,345	$ 116,390

USD 415 - HIAWATHA
Hiawatha, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Elementary School						
Pictures	$ 1,163	$ 3,005	$ 3,075	$ 1,093	$ -	$ 1,093
Middle School						
Athletic/Student Activities	$ 12,005	$ 20,081	$ 20,876	$ 11,210	$ -	$ 11,210
Library	9	-	9	-	-	-
Yearbook	4,980	2,174	2,906	4,248	-	4,248
Student Incentives & Rewards	10,870	6,659	7,041	10,488	-	10,488
Total Middle School	$ 27,864	$ 28,914	$ 30,832	$ 25,946	$ -	$ 25,946
High School						
School Musical	$ 2,844	$ 2,881	$ 3,215	$ 2,510	$ -	$ 2,510
Athletics	31,961	128,509	123,010	37,460	-	37,460
Yearbook	12,815	6,699	6,124	13,390	-	13,390
Total High School	$ 47,620	$ 138,089	$ 132,349	$ 53,360	$ -	$ 53,360
Total District Activity Funds	$ 76,647	$ 170,008	$ 166,256	$ 80,399	$ -	$ 80,399

VARNEY
& ASSOCIATES, CPAs, LLC

January 22, 2026

Board of Education
Hiawatha Unified School District No. 415
Hiawatha, Kansas

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*

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 Hiawatha Unified School District No. 415 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated January 22, 2026.

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free of 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 determination of financial statement amounts. 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*.

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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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

January 22, 2026

Board of Education
Hiawatha Unified School District No. 415
Hiawatha, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With The Uniform Guidance

Opinion on Each Major Federal Program

We have audited Unified School District No. 415's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 (*Government Auditing Standards);* 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 the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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 District's compliance with the requirements of each major federal program as a whole.

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Auditor's Responsibilities for the Audit of Compliance (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

This 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. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

HIAWATHA UNIFIED SCHOOL DISTRICT NO. 415
Hiawatha, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

	Federal AL Number	Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Dept. of Agriculture				
Passed through State Department of Education				
Child Nutrition Cluster				
School Breakfast	10.553	DO415	$ 111,752	$ -
National School Lunch Program	10.555	DO415	270,571	-
Cash for Commodities	10.559	DO415	26,914	-
Total Child Nutrition Cluster			$ 409,237	$ -
Total U.S. Dept. of Agriculture			$ 409,237	$ -
U.S. Dept. of Education				
Passed through State Department of Education				
Title I	84.010A	DO415	$ 218,783	$ -
Title IIA Fund	84.367A	DO415	34,505	-
Student Support & Academic Enrichment	84.424A	DO415	20,981	-
COVID-19 - Elementary and Secondary School Emergency Relief III	84.425U	DO415	314,029	-
Total U.S. Dept. of Education			$ 588,298	$ -
TOTAL FEDERAL ASSISTANCE			$ 997,535	$ -

NOTE 1: Organization

The District is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

NOTE 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

NOTE 3: Non-cash Assistance, Insurance and Loans

The District did not receive or expend any federal awards in the form of non-cash assistance, insurance, loans or loan guarantees, including interest subsidies during the year ended June 30, 2025.

HIAWATHA UNIFIED SCHOOL DISTRICT NO. 415
Hiawatha, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statements noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)	___ Yes	X No

Identification of major programs:

Name of Federal Program	CFDA Number
Child Nutrition Cluster	10.553/10.555/10.559

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

NOTE: Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported