UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Financial Statement
With Independent Auditors' Report

For the Year Ended June 30, 2024

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For the Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 431 Hoisington, Kansas
Hoisington, 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. 431 Hoisington, 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 1.

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 District as of and for the year ended June 30, 2023 (not presented herein) ,and have issued our report thereon dated March 4, 2024, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/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 June 2, 2025, 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
Certified Public Accountants
Great Bend, Kansas

June 2, 2025

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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	$ 2,970	-	7,038,953	7,034,703	**7,220**	65,623	**72,843**
Supplemental General Fund	97,355	-	2,346,177	2,246,518	**197,014**	53,943	**250,957**
Special Purpose Funds							
Contingency Reserve Fund	448,210	-	92,832	217,877	**323,165**	-	**323,165**
Capital Outlay Fund	717,184	-	1,775,271	1,835,005	**657,450**	24,962	**682,412**
Driver Training Fund	50,797	-	14,832	6,527	**59,102**	-	**59,102**
Professional Development Fund	6,462	-	5,110	11,572	**-**	-	**-**
Food Service Fund	196,331	-	471,396	522,924	**144,803**	-	**144,803**
Special Education Fund	6,939	-	1,368,122	1,351,162	**23,899**	316	**24,215**
Vocational Education Fund	7,652	-	387,893	241,752	**153,793**	6,559	**160,352**
Textbook Rental Fund	62,007	-	41,044	31,728	**71,323**	-	**71,323**
KPERS Special Retirement Contribution Fund	-	-	691,460	691,460	**-**	-	**-**
At Risk/4 Year Fund	251	-	3,853	4,104	**-**	-	**-**
At Risk/K-12 Fund	542,546	-	1,099,549	1,288,566	**353,529**	27,272	**380,801**
Bilingual Education Fund	791	-	-	791	**-**	-	**-**
Gifts and Grants Fund	13,098	-	446,257	223,767	**235,588**	1,012	**236,600**
Title I Fund	(58,674)	-	261,649	194,129	**8,846**	2,594	**11,440**
Title IIA Fund	9,771	-	11,022	20,793	**-**	-	**-**
Title IVA Fund	7,393	-	18,261	25,654	**-**	-	**-**
Recreation Commission Fund	-	-	184,978	184,978	**-**	-	**-**
Recreation Commission Employee Benefits Fund	-	-	25,880	25,880	**-**	-	**-**
Federal Funds Fund	(61,456)	-	102,170	40,714	**-**	-	**-**
ESSER III Fund	(779,181)	-	612,770	228,355	**(394,766)**	-	**(394,766)**
District Activity Funds	22,401	-	127,743	104,480	**45,664**	-	**45,664**
Bond and Interest Fund							
Bond and Interest Fund	1,195,154	-	994,523	1,001,006	**1,188,671**	-	**1,188,671**
Trust Fund							
Scholarship Fund	97,500	-	-	97,500	**-**	-	**-**
Total Primary Government (Excluding Agency Funds)	$ 2,585,501	-	18,121,745	17,631,945	**3,075,301**	182,281	**3,257,582**

Composition of Cash	Checking and Money Market Accounts	$ **3,441,165**
	Agency Funds Per Schedule 3	**(183,583)**
	Total Primary Government (Excluding Agency Funds)	$ **3,257,582**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 431 Hoisington, 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.

Hoisington Recreation Commission

Hoisington 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. Audited financial statements can be obtained by contacting the recreation commission's office.

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.

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

Agency Fund – 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 Reserve Fund, Textbook Rental Fund, Title I Fund, Title IIA Fund, Title IVA Fund, Federal Funds Fund, ESSER III 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. 431 Hoisington, 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 $3,441,165 and the bank balance was $4,759,425. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $464,045 was covered by federal depository insurance and $4,295,380 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. 431 Hoisington, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2024 were as follows:

From	To	Regulatory Authority		Amount
General Fund	Capital Outlay Fund	K.S.A. 72-5167	$	92,832
General Fund	Special Education Fund	K.S.A. 72-5167		1,339,346
General Fund	Vocational Education Fund	K.S.A. 72-5167		250,000
General Fund	Contingency Reserve Fund	K.S.A. 72-5167		92,832
General Fund	Professional Development Fund	K.S.A. 72-5167		1,954
General Fund	At Risk/K-12 Fund	K.S.A. 72-5167		855,802
General Fund	At Risk/4 Year Fund	K.S.A. 72-5167		3,853
Bilingual Education Fund	General Fund	Closed Fund		791
Contingency Reserve Fund	Supplemental General Fund	K.S.A. 72-5165		155,434
Supplemental General Fund	At Risk/K-12 Fund	K.S.A. 72-5143		243,747

NOTE 5 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Turf and Track Project	$ 1,676,196	$ 1,676,196

NOTE 6 – LITIGATION

Unified School District No. 431 Hoisington, 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 7 – RISK MANAGEMENT

Unified School District No. 431 Hoisington, Kansas is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other districts in the State to participate in Kansas Association of School Boards Workers' Compensation Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for 120 participating members.

The District pays an annual premium to Kansas Association of School Boards Workers' Compensation Insurance Pool for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Workers' Compensation Insurance Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $600,000, up to $1,000,000, for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Association of School Boards Workers' Compensation Insurance Pool management.

The District has been unable to obtain commercial insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other Districts in the State of Kansas to participate in the Kansas Educational Risk Management Pool, LLC (KICS), a public entity risk pool currently operating as a common risk management and insurance program for 98 participating members.

The District pays an annual premium to Kansas Educational Risk Management Pool, LLC (KICS) for its commercial insurance coverage. The agreement to participate provides that KICS will be self-sustaining through member premiums and will reinsure through commercial companies for property claims in excess of $500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KICS management.

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 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District did not remit bond payments within 20 days of maturity, which is a violation of K.S.A. 10-130.

The District did not receive sealed bids for expenditures greater than $20,000 for construction or purchase of materials and goods, which is a violation of K.S.A. 72-1151.

NOTE 9 – GRANTS AND SHARED REVENUES

Unified School District No. 431 Hoisington, 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 10 – DEFERRED COMPENSATION PLAN

Unified School District No. 431 Hoisington, 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 11 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description
Unified School District No. 431 Hoisington, 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 $691,460 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 $6,699,446. 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, 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 12 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **Unified School District No. 431 Hoisington, 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 13 – COMPENSATED ABSENCES

The District's contracts with various employees permit the employees to accumulate different amounts of vacation, sick, and universal leave. Clerical and custodial (classified) employees are allowed to accumulate vacation and sick leave. Full-time (certified) employees are allowed to accumulate universal leave.

The District is obligated to pay an employee, who accumulated more than 50 days of sick leave prior to June 30, 2005, $80 per day for each accrued day above 50 days when the individual leaves the District. An individual has the option of cashing out his/her accumulated days prior to leaving the District. This option has to be made between June 1st and July 1st of the year prior to the year the option is exercised. Annually, the District will pay out $40,000 on a first come basis in September.

Employees with no accumulated days above 50 or were hired after June 30, 2005 will not receive any compensation for accumulated leave up to 80 days. The District is obligated to pay an employee $50 per day up to 10 days for an individual that has accumulated more than 80 sick days in a year. This payment will be made by June 30th of each year.

Vacation
The District’s contracts state that accumulated vacation must be taken by the end of the contract date or the time will be lost.

Sick
Clerical and custodial (classified) employees will be credited with 10 days sick leave on the first day of the fiscal year. Unused leave will be accumulated to a maximum of 50 days. All other classified employees will be credited with 7 days sick leave. Unused leave will be accumulated to a maximum of 35 days.

Universal
Full-time (certified) employees will be credited with 15 days of universal leave on the first day of the fiscal year. Unused leave will be accumulated to a maximum of 80 days.

Sick Leave Bank
The District has a sick leave bank to provide an extension of sick leave beyond normal sick leave provided by the Board for cases of serious and extended illness of District employees. At the beginning of each school year, the Board shall provide such sick leave as is necessary to establish a balance of 130 days in the bank. No employee may draw from the bank until the individual’s sick leave is exhausted. Request for permission to draw from the bank must be made in writing to the Superintendent no later than

seven calendar days from the date the sick leave is exhausted. No employee shall be permitted to draw from the bank more sick leave than he/she shall have accumulated. The sick leave bank will not be extended for illness of a family member or an employee's time off to tend to a family member.

NOTE 14 – LONG-TERM DEBT

Unified School District No. 431 Hoisington, Kansas has the following types of long-term debt.

General Obligation Bonds

On November 18, 2015, the District issued $9,490,000 in General Obligation Refunding Bonds – Series 2015-A for the purpose of (a) constructing, furnishing and equipping a new Lincoln Elementary School, (b) renovate existing District facilities, including parking and security improvements, (c) making all other necessary improvements appurtenant thereto (collective, the "Project") and (d) pay costs of issuance and interest on said general obligation bonds of the District during construction of the Project. (They were also issued for the purpose of providing funds for the partial refunding of the District's General Obligation Refunding Bonds – Series 2005-A.)

On July 21, 2016, the District issued $6,480,000 in General Obligation Refunding Bonds – Series 2016-A for the purpose of (a) constructing, furnishing and equipping a new Lincoln Elementary School, (b) renovate existing District facilities, including parking and security improvements, (c) making all other necessary improvements appurtenant thereto (collective, the "Project") and (d) pay costs of issuance and interest on said general obligation bonds of the District during construction of the Project. (They were also issued for the purpose of providing funds for the partial refunding of the District's General Obligation Refunding Bonds – Series 2005-A.)

On June 10, 2021, the District issued $8,455,000 in General Obligation Refunding Bonds – Series 2021-A for the purpose of providing funds for the partial refunding of the District's General Obligation Refunding Bonds – Series 2015-A.

Lease Obligations

On July 17, 2008, the District entered into a lease agreement with Kansas Bank for $1,196,250. Annual payments of $111,464 began in the 2009 fiscal year. The lease agreement is for energy conservation measures as agreed to with TAC Americas, Inc. on May 21, 2008. Although the Kansas Cash Basis Act requires lease agreements to be annually renewable and/or subject to annual appropriation of funds, the provisions of the cash basis law and K.S.A. 79-2925 and amendments thereto, do not apply to any contract or lease-purchase agreement entered into for the financing of energy conservation measures. As such, this lease agreement is not subject to annual appropriation of funds.

On June 15, 2023, the District entered into a lease agreement with Wilson State Bank for $1,000,000. The lease agreement is for the turf and track replacement project. The lease contains a fiscal funding clause.

Changes in long-term liabilities for the District for the year ended June 30, 2024, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	**Balance End of Year**	Interest Paid
General Obligation Bonds									
Series 2015-A	3.0% to 4.0%	11/18/15	$ 9,490,000	09/01/40	$ 735,000	-	(230,000)	**505,000**	18,600
Series 2016-A	2.0% to 3.0%	07/21/16	6,480,000	09/01/40	5,400,000	-	(250,000)	**5,150,000**	152,500
Series 2021	0.3% to 2.8%	06/10/21	8,455,000	09/01/40	8,115,000	-	(155,000)	**7,960,000**	194,906
Total General Obligation Bonds					14,250,000	-	(635,000)	**13,615,000**	366,006
Lease Obligation									
Turf and Track Lease	4.79%	06/15/23	1,000,000	09/01/27	-	1,000,000	(211,243)	**788,757**	29,003
Total Contractual Indebtedness					$ 14,250,000	1,000,000	(846,243)	**14,403,757**	395,009

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

	YEAR								
	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2041	**Total**
Principal									
General Obligation Bonds	$ 650,000	665,000	680,000	695,000	710,000	3,875,000	4,410,000	1,930,000	**13,615,000**
Lease Obligation	183,573	192,367	201,581	211,236	-	-	-	-	**788,757**
Total Principal	**833,573**	**857,367**	**881,581**	**906,236**	**710,000**	**3,875,000**	**4,410,000**	**1,930,000**	**14,403,757**
Interest									
General Obligation Bonds	351,839	336,781	321,443	304,345	284,764	1,104,660	569,291	55,273	**3,328,396**
Lease Obligation	33,385	24,381	14,946	5,059	-	-	-	-	**77,771**
Total Interest	**385,224**	**361,162**	**336,389**	**309,404**	**284,764**	**1,104,660**	**569,291**	**55,273**	**3,406,167**
Total Principal and Interest	$ **1,218,797**	**1,218,529**	**1,217,970**	**1,215,640**	**994,764**	**4,979,660**	**4,979,291**	**1,985,273**	**17,809,924**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Regulatory-Required Supplementary Information

Schedule 1

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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	$ 7,130,832	(106,339)	14,954	7,039,447	**7,034,703**	(4,744)
Supplemental General Fund	2,280,233	(33,715)	-	2,246,518	**2,246,518**	-
Special Purpose Funds						
Capital Outlay Fund	1,594,251	-	1,000,000	2,594,251	**1,835,005**	(759,246)
Driver Training Fund	25,200	-	-	25,200	**6,527**	(18,673)
Professional Development Fund	12,166	-	-	12,166	**11,572**	(594)
Food Service Fund	591,433	-	-	591,433	**522,924**	(68,509)
Special Education Fund	1,370,225	-	-	1,370,225	**1,351,162**	(19,063)
Vocational Education Fund	257,359	-	-	257,359	**241,752**	(15,607)
KPERS Special Retirement Contribution Fund	751,772	-	-	751,772	**691,460**	(60,312)
At Risk/4 Year Fund	8,326	-	-	8,326	**4,104**	(4,222)
At Risk/K-12 Fund	1,757,513	-	-	1,757,513	**1,288,566**	(468,947)
Bilingual Education Fund	-	-	-	-	**791**	791
Gifts and Grants Fund	51,200	-	360,967	412,167	**223,767**	(188,400)
Recreation Commission Fund	206,946	-	-	206,946	**184,978**	(21,968)
Recreation Commission Employee Benefits Fund	27,897	-	-	27,897	**25,880**	(2,017)
Bond and Interest Fund						
Bond and Interest Fund	1,001,008	-	-	1,001,008	**1,001,006**	(2)

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Taxes	$ 14,357	**10,103**	-	10,103
Intergovernmental Revenues				
Equalization Aid	5,937,322	**6,151,755**	6,186,518	(34,763)
Special Education Fund	818,245	**861,350**	944,314	(82,964)
Other State Aid	2,457	**1,928**	-	1,928
Transfers In	-	**791**	-	791
Other Local Sources				
Reimbursements	33,375	**13,026**	-	13,026
Total Receipts	6,805,756	**7,038,953**	7,130,832	(91,879)
Expenditures				
Instruction	1,343,507	**1,421,187**	1,642,500	(221,313)
Student Support Services	227,111	**277,023**	243,700	33,323
Instructional Support Services	427,164	**375,336**	391,000	(15,664)
General Administration	291,329	**92,744**	296,500	(203,756)
School Administration	711,203	**760,382**	728,000	32,382
Central Services	150,855	**133,471**	148,000	(14,529)
Operations and Maintenance	1,093,589	**1,091,101**	1,025,648	65,453
Vehicle Operating Services	228,678	**246,840**	263,450	(16,610)
Transfers Out	2,329,350	**2,636,619**	2,392,034	244,585
Adjustment to Comply with Legal Max	-	**-**	(106,339)	106,339
Legal General Fund Budget	6,802,786	**7,034,703**	7,024,493	10,210
(a) Adjustment for Qualifying Budget Credits	-	**-**	14,954	(14,954)
Total Expenditures	6,802,786	**7,034,703**	7,039,447	(4,744)
Receipts Over (Under) Expenditures	2,970	**4,250**		
Unencumbered Cash - Beginning	-	**2,970**		
Unencumbered Cash - Ending	$ 2,970	**7,220**		

(a) Adjustment for Qualifying Budget Credits	
Reimbursements Over Amount Budgeted	$ 13,026
Other State Aid Over Amount Budgeted	1,928
Total	$ 14,954

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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				
Taxes	$ 934,848	**889,700**	1,061,602	(171,902)
Reimbursement	-	**9,520**	-	9,520
Transfers In	-	**155,434**	-	155,434
Intergovernmental Revenues				
Equalization Aid	1,185,454	**1,291,523**	1,310,906	(19,383)
Total Receipts	2,120,302	**2,346,177**	2,372,508	(26,331)
Expenditures				
Instruction	1,872,864	**2,002,771**	2,023,022	(20,251)
Transfers Out	250,083	**243,747**	257,211	(13,464)
Adjustment to Comply with Legal Max	-	**-**	(33,715)	33,715
Total Expenditures	2,122,947	**2,246,518**	2,246,518	-
Receipts Over (Under) Expenditures	(2,645)	**99,659**		
Unencumbered Cash - Beginning	100,000	**97,355**		
Unencumbered Cash - Ending	$ 97,355	**197,014**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Contingency Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	Prior Year Actual	**Current Year Actual**
Receipts		
Transfers In	$ 9,894	**92,832**
Expenditures		
Operations and Maintenance	310,000	**62,443**
Transfers Out	-	**155,434**
Total Expenditures	310,000	**217,877**
Receipts Over (Under) Expenditures	(300,106)	**(125,045)**
Unencumbered Cash - Beginning	733,258	**448,210**
Prior Year Cancelled Encumbrances	15,058	**-**
Unencumbered Cash - Ending	$ 448,210	**323,165**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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				
Taxes	$ 291,872	**314,559**	347,144	(32,585)
Intergovernmental Revenues				
State Aid	146,713	**115,420**	189,249	(73,829)
Other Local Sources				
Interest on Idle Funds	29,212	**141,649**	-	141,649
Lease Proceeds	-	**1,000,000**	-	1,000,000
Reimbursements	156,633	**110,811**	-	110,811
Transfers In	9,894	**92,832**	-	92,832
Total Receipts	634,324	**1,775,271**	536,393	1,238,878
Expenditures				
Instruction	315,839	**161,327**	215,000	(53,673)
Student Support Services	-	**8,376**	-	8,376
Operations and Maintenance	431,837	**136,126**	1,064,005	(927,879)
Vehicle Operating Services	12,700	**163,885**	75,000	88,885
Facility Acquisition and Construction	-	**1,122,429**	-	1,122,429
Other Support Services	-	**2,616**	-	2,616
Debt Service	-	**240,246**	240,246	-
(a) Adjustment for Qualifying Budget Credits	-	**-**	1,000,000	(1,000,000)
Total Expenditures	760,376	**1,835,005**	2,594,251	(759,246)
Receipts Over (Under) Expenditures	(126,052)	**(59,734)**		
Unencumbered Cash - Beginning	843,236	**717,184**		
Unencumbered Cash - Ending	$ 717,184	**657,450**		

(a) Adjustment for Qualifying Budget Credits

Lease Proceeds Over Amount Budgeted	$ 1,000,000

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 5,460	**8,030**	6,345	1,685
Other Local Sources				
Fees	6,610	**6,802**	-	6,802
Total Receipts	12,070	**14,832**	6,345	8,487
Expenditures				
Instruction	16,122	**5,088**	25,000	(19,912)
Vehicle Operating Services	1,478	**1,439**	200	1,239
Total Expenditures	17,600	**6,527**	25,200	(18,673)
Receipts Over (Under) Expenditures	(5,530)	**8,305**		
Unencumbered Cash - Beginning	56,327	**50,797**		
Unencumbered Cash - Ending	$ 50,797	**59,102**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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	$ 3,868	**3,156**	3,750	(594)
Other Local Sources				
Miscellaneous	549	**-**	-	-
Transfers In	2,000	**1,954**	-	1,954
Total Receipts	6,417	**5,110**	3,750	1,360
Expenditures				
Instructional Support Services	26,300	**11,572**	12,166	(594)
Receipts Over (Under) Expenditures	(19,883)	**(6,462)**		
Unencumbered Cash - Beginning	26,345	**6,462**		
Unencumbered Cash - Ending	$ 6,462	**-**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
Federal Aid	$ 433,724	**339,071**	360,125	(21,054)
State Aid	4,534	**4,075**	3,549	526
Other Local Sources				
Lunch Receipts	109,906	**128,072**	121,556	6,516
Miscellaneous	105	**178**	-	178
Transfers In	-	**-**	20,000	(20,000)
Total Receipts	548,269	**471,396**	505,230	(33,834)
Expenditures				
Food Service Operations	556,355	**522,924**	591,433	(68,509)
Receipts Over (Under) Expenditures	(8,086)	**(51,528)**		
Unencumbered Cash - Beginning	204,417	**196,331**		
Unencumbered Cash - Ending	$ 196,331	**144,803**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
Federal Aid	$ 41,782	**-**	-	-
Other Local Sources				
Reimbursements	20,401	**28,776**	-	28,776
Transfers In	1,053,387	**1,339,346**	1,220,440	118,906
Total Receipts	1,115,570	**1,368,122**	1,220,440	147,682
Expenditures				
Instruction	1,175,323	**1,307,221**	1,320,440	(13,219)
Vehicle Operating Services	32,834	**43,941**	44,785	(844)
Other Support Services	-	**-**	5,000	(5,000)
Total Expenditures	1,208,157	**1,351,162**	1,370,225	(19,063)
Receipts Over (Under) Expenditures	(92,587)	**16,960**		
Unencumbered Cash - Beginning	99,526	**6,939**		
Unencumbered Cash - Ending	$ 6,939	**23,899**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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				
Intergovernmental Revenues				
Perkins Reimbursement	$ 3,433	**3,811**	-	3,811
Federal Aid	1,450	**-**	-	-
State Aid	-	**127,774**	-	127,774
Other Local Sources				
Miscellaneous	548	**6,308**	-	6,308
Transfers In	296,820	**250,000**	250,000	-
Total Receipts	302,251	**387,893**	250,000	137,893
Expenditures				
Instruction	293,232	**241,237**	256,609	(15,372)
Student Support Services	1,367	**515**	500	15
Other Support Services	-	**-**	250	(250)
Total Expenditures	294,599	**241,752**	257,359	(15,607)
Receipts Over (Under) Expenditures	7,652	**146,141**		
Unencumbered Cash - Beginning	-	**7,652**		
Unencumbered Cash - Ending	$ 7,652	**153,793**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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		
Other Local Sources		
Book Rental Fees	$ 20,232	**15,665**
iPad Rental Fees	28,384	**20,239**
iPad Repair Fees	1,968	**5,140**
Total Receipts	50,584	**41,044**
Expenditures		
Textbooks	51,237	**31,728**
Receipts Over (Under) Expenditures	(653)	**9,316**
Unencumbered Cash - Beginning	62,660	**62,007**
Unencumbered Cash - Ending	$ 62,007	**71,323**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
KPERS Special Retirement Contribution 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	$ 671,225	**691,460**	751,772	(60,312)
Expenditures				
Instruction	620,856	**484,022**	500,000	(15,978)
Student Support Services	5,036	**20,744**	22,000	(1,256)
Instructional Support Services	5,037	**20,744**	22,000	(1,256)
General Administration	3,358	**13,829**	15,000	(1,171)
School Administration	13,432	**55,317**	55,000	317
Central Services	3,358	**13,829**	15,000	(1,171)
Operations and Maintenance	8,395	**34,573**	35,000	(427)
Student Transportation Services	5,037	**20,744**	34,121	(13,377)
Other Support Services	-	**-**	53,651	(53,651)
Food Service Operations	6,716	**27,658**	-	27,658
Total Expenditures	671,225	**691,460**	751,772	(60,312)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
At Risk/4 Year 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	$ 44,369	**3,853**	-	3,853
Expenditures				
Instruction	72,446	**4,104**	8,326	(4,222)
Receipts Over (Under) Expenditures	(28,077)	**(251)**		
Unencumbered Cash - Beginning	28,328	**251**		
Unencumbered Cash - Ending	$ 251	**-**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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	$ 1,163,069	**1,099,549**	1,158,805	(59,256)
Expenditures				
Instruction	1,002,277	**1,072,577**	1,384,500	(311,923)
Student Support Services	213,879	**215,989**	373,013	(157,024)
Total Expenditures	1,216,156	**1,288,566**	1,757,513	(468,947)
Receipts Over (Under) Expenditures	(53,087)	**(189,017)**		
Unencumbered Cash - Beginning	595,633	**542,546**		
Unencumbered Cash - Ending	$ 542,546	**353,529**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts	$ -	**-**	-	-
Expenditures				
Transfers Out	-	**791**	-	791
Receipts Over (Under) Expenditures	-	**(791)**		
Unencumbered Cash - Beginning	791	**791**		
Unencumbered Cash - Ending	$ 791	**-**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Gifts and 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	$ 13,615	**17,645**	17,645	-
Federal Aid	27,200	**67,645**	17,645	50,000
Other Local Sources				
Contributions and Other Grants	1,625	**360,967**	-	360,967
Total Receipts	42,440	**446,257**	35,290	410,967
Expenditures				
Instruction	65,377	**223,305**	51,200	172,105
Instructional Support Services	150	**462**	-	462
(a) Adjustment for Qualifying Budget Credits	-	**-**	360,967	(360,967)
Total Expenditures	65,527	**223,767**	412,167	(188,400)
Receipts Over (Under) Expenditures	(23,087)	**222,490**		
Unencumbered Cash - Beginning	36,185	**13,098**		
Unencumbered Cash - Ending	$ 13,098	**235,588**		

(a) Adjustment for Qualifying Budget Credits

Contributions and Other Grants Over Amount Budgeted	$ 360,967

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Title I 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	$ 113,813	**261,649**
Expenditures		
Instruction	147,261	**194,129**
Receipts Over (Under) Expenditures	(33,448)	**67,520**
Unencumbered Cash - Beginning	(25,226)	**(58,674)**
Unencumbered Cash - Ending	$ (58,674)	**8,846**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Title IIA 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	$ 20,507	**11,022**
Expenditures		
Instruction	10,736	**11,498**
General Administration	-	**500**
Operations and Maintenance	-	**4,470**
Instructional Support Services	-	**4,325**
Total Expenditures	10,736	**20,793**
Receipts Over (Under) Expenditures	9,771	**(9,771)**
Unencumbered Cash - Beginning	-	**9,771**
Unencumbered Cash - Ending	$ 9,771	**-**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Title IVA 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	$ 28,845	**18,261**
Expenditures		
Instruction	12,437	**21,354**
Instructional Support Services	-	**4,300**
Total Expenditures	12,437	**25,654**
Receipts Over (Under) Expenditures	16,408	**(7,393)**
Unencumbered Cash - Beginning	(9,015)	**7,393**
Unencumbered Cash - Ending	$ 7,393	**-**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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 and Shared Revenues				
Taxes	$ 200,963	**184,978**	206,946	(21,968)
Expenditures				
Community Service Operations	200,963	**184,978**	206,946	(21,968)
Receipts Over (Under) Expenditures	-	**-**		
Unencumbered Cash - Beginning	-	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Recreation Commission Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Taxes	$ 20,890	**25,880**	28,235	(2,355)
Expenditures				
Community Service Operations	23,856	**25,880**	27,897	(2,017)
Receipts Over (Under) Expenditures	(2,966)	**-**		
Unencumbered Cash - Beginning	2,966	**-**		
Unencumbered Cash - Ending	$ -	**-**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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	$ 939	**102,170**
Expenditures		
Instruction	61,838	**40,714**
Receipts Over (Under) Expenditures	(60,899)	**61,456**
Unencumbered Cash - Beginning	(557)	**(61,456)**
Unencumbered Cash - Ending	$ (61,456)	**-**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
ESSER III 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	$	102,170	**612,770**
Expenditures			
Instruction		881,351	**228,355**
Receipts Over (Under) Expenditures		(779,181)	**384,415**
Unencumbered Cash - Beginning		-	**(779,181)**
Unencumbered Cash - Ending	$	(779,181)	**(394,766)**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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				
Taxes	$ 466,242	**372,582**	420,309	(47,727)
Intergovernmental Revenues				
State Aid	549,751	**609,725**	609,724	1
Interest	4,360	**12,216**	-	12,216
Total Receipts	1,020,353	**994,523**	1,030,033	(35,510)
Expenditures				
Principal	620,000	**635,000**	635,000	-
Interest	379,548	**366,006**	366,008	(2)
Total Expenditures	999,548	**1,001,006**	1,001,008	(2)
Receipts Over (Under) Expenditures	20,805	**(6,483)**		
Unencumbered Cash - Beginning	1,174,349	**1,195,154**		
Unencumbered Cash - Ending	$ 1,195,154	**1,188,671**		

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS
Scholarship 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		
Other Local Sources		
Interest on Idle Funds	$ 684	**-**
Expenditures		
Transfer to Foundation	684	**97,500**
Receipts Over (Under) Expenditures	-	**(97,500)**
Unencumbered Cash - Beginning	97,500	**97,500**
Unencumbered Cash - Ending	$ 97,500	**-**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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**
Student Organizations				
Art	$ 100	625	682	**43**
Cheerleaders	641	9,104	9,123	**622**
Class of 2024	4,113	-	3,296	**817**
Class of 2025	3,006	6,380	7,734	**1,652**
Class of 2026	3,364	542	112	**3,794**
Class of 2027	653	1,490	513	**1,630**
Danceline	1,930	3,470	3,626	**1,774**
Entrepreneurship	3,917	2,700	6,046	**571**
Online Entrepreneurship Account	1,220	6,812	120	**7,912**
FACS Grant	-	300	791	**(491)**
FCCLA	8,708	28,981	29,684	**8,005**
FBLA	4,776	13,932	15,810	**2,898**
Gift Account	652	-	-	**652**
H-Club	41,676	73,159	57,581	**57,254**
HFL	896	4,797	3,054	**2,639**
Kays	1,305	7,823	7,663	**1,465**
Lincoln	10,781	46,405	26,815	**30,371**
Middle School	22,212	36,220	37,115	**21,317**
Music - Band	13	2,232	1,784	**461**
Music - Vocal	22	3,428	1,948	**1,502**
National Honor Society	382	450	-	**832**
Petty Cash	3,354	-	3,354	**-**
Pep Club	28	80	-	**108**
Roosevelt	4,271	28,995	31,343	**1,923**
Sr. High	2,766	261	270	**2,757**
Stuco	1,874	2,205	2,837	**1,242**
Video Production	2,904	-	-	**2,904**
Yearbook	14,304	7,544	12,164	**9,684**
Interest	-	1,418	-	**1,418**
Student Scholarship Fund	2,155	-	467	**1,688**
Total Student Organizations	$ 142,023	289,353	263,932	**167,444**
Agency Fund				
Flex Spending Account	16,377	44,699	44,937	**16,139**
Total Agency Funds	$ 158,400	334,052	308,869	**183,583**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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							
Athletics	$ 22,401	-	127,743	104,480	**45,664**	-	**45,664**

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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. 431 Hoisington, Kansas
Hoisington, 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. 431 Hoisington, 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 June 2, 2025. 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 statement, we considered **Unified School District No. 431 Hoisington, 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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 431 Hoisington, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 431 Hoisington, 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 431 Hoisington, 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. 431 Hoisington, Kansas' Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on **Unified School District No. 431 Hoisington, Kansas'** response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. **Unified School District No. 431 Hoisington, 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

June 2, 2025

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. 431 Hoisington, Kansas
Hoisington, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Unified School District No. 431 Hoisington, 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. 431 Hoisington, Kansas'** major federal programs for the year ended June 30, 2024. **Unified School District No. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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. 431 Hoisington, 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 items 2024-004 and 2024-005. 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. 431 Hoisington, 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. 431 Hoisington, 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-004 to be a material weakness.

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 2024-005 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. 431 Hoisington, 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. 431 Hoisington, 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

June 2, 2025

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, KANSAS

Schedule of Expenditures of Federal Awards

For the Year Ended 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 Agriculture			
Passed Through Kansas State Department of Education			
Child Nutrition Discretionary Grants Limited Availability	10.579	D0431	$ 14,487
Child Nutrition Cluster			
National School Lunch Program	10.555	D0431	216,837
School Breakfast Program	10.553	D0431	67,935
Summer Food Service Program for Children	10.559	D0431	39,813
Total Child Nutrition Cluster			324,585
Total U.S. Department of Agriculture			339,072
U.S. Department of Education			
Passed Through Kansas State Department of Education			
Supporting Effective Instruction State Grants	84.367	D0431	20,793
Title I Grants to Local Educational Agencies	84.010	D0431	194,129
Student Support and Academic Enrichment Program	84.424	D0431	25,654
Career and Technical Education - Basic Grants to States	84.048	D0431	1,428
Covid-19 Funds - Education Stabilization Fund			
Elementary and Secondary School Emergency Relief Fund	84.425D	D0431	82,496
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	D0431	891,366
American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS)	84.425V	D0431	11,824
Total U.S. Department of Education			1,227,690
U.S. Department of Health and Human Services			
Passed Through Kansas State Department of Education			
Temporary Assistance for Needy Families	93.558	D0431	17,645
Total Expenditures of Federal Awards			**$ 1,584,407**

Note - There were no awards made to subrecipients for the year ended June 30, 2024.

UNIFIED SCHOOL DISTRICT NO. 431 HOISINGTON, 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. 431 Hoisington, 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). 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 on the 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 generally accepted accounting principles. 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. 431 HOISINGTON, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the statement was prepared in accordance with a special 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?	X	Yes		No
• Significant deficiencies 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 X Yes No

Identification of major programs:

Assistance Listing Number	Name of Federal Program
Education Stabilization Fund	
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
84.425V	American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS)

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 WEAKNESSES

2024-001

Criteria or specific requirement
Internal controls should be in place to ensure that employees do not have incompatible 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 and expenditures cycles and strengthen internal controls. Also, involvement by 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.

2024-002

Criteria or specific requirement
All activity within each bank account maintained by the District needs to be recorded within the accounting software and reconciled timely each month. Any outstanding checks and deposits should be reviewed and cleaned-up before completion. After the reconciliations have been prepared, someone outside of the reconciliation process with a thorough understanding needs to review and sign off on them. Corrections should be made immediately, and checks should not be back dated into the system. Further, each month, the reconciled bank accounts and investments need to be reconciled to the general ledger cash accounts to make sure everything is reported on the books before the monthly reports are provided to the Board for review.

Condition
Bank reconciliations for the year were not completed timely, and they were not accurate.

Context
During testing, we determined that the bank reconciliations did not tie to the underlying financial records.

Cause
Software implementation in the prior year led to untimely reconciliations.

Effect
Management and the Board may not be operating off of accurate financial information.

Recommendation
Procedures should be established and implemented to ensure that bank reconciliations are being completed timely and accurately.

Views of responsible officials
See Corrective Action Plan.

2024-003

Criteria or specific requirement
Internal controls should be in place to ensure that all transactions are posted correctly, that transfers and draw downs are completed based upon complete and reconciled reports, and that unencumbered cash balances are accurate.

Condition
Material adjustments to the financial statement were required.

Context
We determined, through inquiry and testing of fund activity, that a proper review process was not in place, and that unencumbered cash balances were not correct.

Cause
Transactions were not posted correctly, and incorrect reports were used to determine transfer and draw down activity.

Effect
Management may not be aware of accurate expenditures and unencumbered cash balances for the year, which could result in budget or cash violations.

Recommendation
Funds should be reviewed on a monthly basis to ensure that balances are correct. After transfers have been completed, all funds should be reviewed to ensure that no cash violations exist, and a budget to expense report should be reviewed for any budget violations.

Views of responsible officials
See Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

2024-004

Education Stabilization Fund – Reporting

Criteria or specific requirement
Participants in the Education Stabilization Fund program are required to submit periodic reports to the awarding agency.

Condition
The quarterly reports had incorrect expenditures reported for the ESSER III award.

Context
During testing, it was determined that expenditures reported for the ESSER III award were not correctly reported and in line with the reporting method required by the awarding agency.

Cause
Due to issues related to the timing of program funding draw downs, District staff struggled to report the information on the basis that the awarding agency required of them.

Effect
An incorrect amount was reported for the ESSER III award on the District's quarterly reports.

Recommendation
Reporting methods required by the awarding agency should be well understood, and an individual other than the preparer should review all reports prior to their submission.

Views of responsible officials and planned corrective actions
See Corrective Action Plan.

SIGNIFICANT DEFICIENCY

2024-005

Education Stabilization Fund – Activities Allowed or Unallowed and Allowable Costs and Cost Principles

Criteria or specific requirement
Expenditures should only be incurred for the program if they have been deemed to meet program allowability requirements, which includes ensuring that no improper payments are made, that payroll charges are supported by required documentation, and that the cost was necessary and reasonable for the performance of the federal award.

Condition
Of the 51 transactions tested, 9 were found to not meet elements of allowability.

Context
For 7 of the transactions, charges to the federal awards for salaries and wages were not accurately based on records that reflected the work performed. This improper payment also resulted in incorrect directly associated costs (payroll taxes) being charged to the federal award. The eighth transaction involved a payroll charge that did not have the required supporting documentation prepared. For the final transaction, an order was placed for numerous items that were all charged to the federal award, but two of those items were found to not meet the allowability standards.

Cause
Payments made to staff for summer school wages were calculated based upon planned work hours and scheduled days, and they were not adjusted when the actual hours worked differed from those calculations. Additionally, two timesheets were not summed correctly when determining the hours worked for the afterschool program. Lastly, expenditures were not carefully reviewed to ensure that all expenses were allowable and that all necessary supporting documentation had been prepared and kept on file.

Effect
Total questioned costs amounted to $1,979, and, when compared to the overall population, total likely questioned costs were calculated as $9,029.

Recommendation
The District should carefully review all charges to the federal award in order to ensure that sufficient supporting documentation has been obtained, that correct payments are being made, and that no unreasonable or unnecessary charges exist.

Views of responsible officials and planned corrective actions
See Corrective Action Plan.

Unified District 431
Barton County
Patrick Crowdis
Superintendent of Schools

165 West Third
Hoisington, KS 67544
Telephone (620) 653-4134
Fax (620) 653-4073

ATTENDANCE CENTERS
Hoisington High School
Hoisington Middle School
Lincoln Elementary
Roosevelt Elementary

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

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

2023-001 – Segregation of Duties

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.

2023-002 – Bank Reconciliations

Condition
Bank reconciliations for the year were not completed timely, and they were not accurate.

Corrective Actions
The District has been working towards cleaning up this process and getting reconciliations completed on a monthly basis.

Status
Repeat Finding. See 2024-002.

2023-003 – Encumbrances

Condition
Material encumbrances were not recorded on the books at year-end.

Status
Resolved.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

MATERIAL WEAKNESS

Child Nutrition Cluster – 10.555 – National School Lunch Program, 10.559 – Summer Food Service Program for Children, 10.553 – School Breakfast Program – Procurement, Suspension, and Debarment

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

Condition
One procurement was tested for the Food Service Program, and it was found to not have followed the District's procurement plan.

Status
Resolved.