UNIFIED SCHOOL DISTRICT NO. 487
Herington, Kansas

Regulatory Basis Financial Statement and
Independent Auditor's Report

For the Year Ended June 30, 2024

Cindy Jensen, CPA
Certified Public Accountant
Council Grove, KS 66846

Unified School District No. 487
Herington, Kansas

Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2024

Table of Contents

	Page Number
Independent Auditor's Report	1-3
Summary Statement of Receipts, Expenditures, and Unencumbered Cash	4
Notes to the Financial Statement	5-12
Regulatory-Required Supplementary Information:	
Schedule 1 - Summary of Expenditures - Actual and Budget	13
Schedule 2 - Schedule of Receipts and Expenditures	
General Fund	14
Supplemental General	15
At Risk – 4 Year Old	16
At Risk	17
Bilingual	18
Virtual	19
Capital Outlay	20
Driver Training	21
Food Service	22
Professional Development	23
Parent Education	24
Special Education	25
Career & Postsecondary Education	26
KPERS Retirement	27
Contingency Reserve	28
Recreation Commission	29
Title I	30
Supporting Effective Instruction	30
Title IV	30
Small & Rural Schools	30
ESSER	30
KCCTF	30
Gifts and Grants	31
Textbook Rental	32
Bond & Interest	33
Schedule 3 - Schedule of Receipts and Disbursements - Agency Funds	34
Schedule 4 - Schedule of Receipts, Expenditures, and Unencumbered Cash - District Activity Funds	35
Schedule 5- Related Municipal Entities	
Herington Recreation Commission	36
Other Supplementary Information:	
Independent Auditor's 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	37-38
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance	39-40
Schedule of Expenditures of Federal Award	41
Notes to the Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43-44

Cindy Jensen
Certified Public Accountant

218 W Main **620-767-5064**
Council Grove, KS 66846 **c.jensen@tctelco.net**

Independent Auditor's Report

Board of Education
Unified School District No. 487
Herington, Kansas

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 487, Herington, Kansas, a municipal financial reporting entity, as of and for the year ended June 30, 2024 and the related notes to the financial statement.

Adverse Opinion on the U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion and Unmodified Opinions section of our report, the 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 Unified School District No. 487, Herington, Kansas, as of June 30, 2024, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 487, Herington, Kansas, 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 Opinion and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, and the Kansas Municipal Audit and Accounting Guide. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Unified School District No. 487, Herington, Kansas, 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 Unified School District No. 487, Herington, Kansas 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 to meet the financial reporting requirements of the State of Kansas; 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 Unified School District No. 487, Herington'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.

Auditor's Responsibility 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 USD 487, Herington'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 USD 487, Herington'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.

Report on 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 accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statement. In addition, the summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, agency funds summary of receipts and disbursements, district activity funds schedule of receipts and expenditures, and related municipal entities-summary of receipts and expenditures-actual and budget (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, but are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The schedule of expenditures of federal awards and regulatory required supplementary 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 schedule of expenditures of federal awards and the regulatory required supplementary information have been subjected to the auditing procedures applied in the audit of the respective basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the regulatory required 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 12, 2025, on our consideration of Unified School District No. 487, Herington, Kansas' 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 Unified School District No. 487, Herington, Kansas' internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Unified School District No. 487, Herington, Kansas' internal control over financial reporting and compliance.

Cindy Jensen CPA

Cindy Jensen, CPA
Certified Public Accountant
March 12, 2025

Unified School District No. 487
Herington, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Prior Yr Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	$ 0	$ 0	$ 4,586,752	$ 4,586,752	$ 0	$ 265,378	$ 265,378
Supplemental General	45,149	0	1,496,406	1,465,578	75,977	46,299	122,276
Special Purpose Funds							
At Risk (4 Yr Old)	23,707	0	87,574	55,266	56,015	0	56,015
At Risk	141,183	0	978,713	1,024,577	95,319	103,825	199,144
Bilingual	1,951	0	8,097	5,683	4,365	1,293	5,658
Virtual	81,299	0	70,024	82,430	68,893	0	68,893
Capital Outlay	502,842	50,000	573,405	460,012	666,235	111,094	777,329
Driver Training	15,908	0	10,270	11,362	14,816	234	15,050
Food Service	54,858	0	464,723	438,123	81,458	8,878	90,336
Professional Development	24,929	0	25,557	34,267	16,219	2,052	18,271
Parent Education	1,332	0	91,902	88,258	4,976	4,900	9,876
Special Education	302,884	0	744,311	896,803	150,392	913	151,305
Career & Postsecondary	64,293	0	265,461	210,345	119,409	30,528	149,937
KPERS Retirement	0	0	452,756	452,756	0	0	0
Contingency Reserve	223,567	0	25,000	0	248,567	0	248,567
Recreation Commission	14,158	0	82,331	85,000	11,489	0	11,489
Title I	0	0	152,485	151,412	1,073	1,592	2,665
Supporting Effective Instructio	0	0	18,072	18,072	0	3,229	3,229
Title IV	0	0	16,230	16,230	0	2,436	2,436
Rural & Small Schools	(8,400)	0	31,672	23,272	0	0	0
ESSER	(143,127)	0	255,972	208,340	(95,495)	20,322	(75,173)
KCCTF	0	0	213,038	267,872	(54,834)	24,994	(29,840)
Gifts & Grants	322,447	0	143,790	406,364	59,873	8,332	68,205
Textbook & Student Material	108,422	0	17,440	30,310	95,552	0	95,552
District Activity Funds	46,925	0	246,447	239,979	53,393	0	53,393
Bond & Interest Funds							
Bond & Interest	1,224,090	0	1,162,994	1,098,314	1,288,770	0	1,288,770
Related Municipal Entities:							
Herington Recreation Comm	85,574	0	107,692	85,667	107,599	0	107,599
Total Reporting Entity (Excluding Agency Funds)	$ 3,133,991	$ 50,000	$ 12,329,114	$ 12,443,044	$ 3,070,061	$ 636,299	$ 3,706,360

Checking & Sweep accounts	$ 3,545,368
Recreation Commission	107,599
Herington Elementary	7,673
Herington Middle	8,840
Herington High School	81,740
Total Cash	3,751,220
Less: Agency Funds per Schedule 3	(44,860)
Total Reporting Entity (Excluding Agency Funds)	$ 3,706,360

The accompanying notes are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 487 (the District), Herington, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The more significant of the district's accounting policies are described below.

Financial Reporting Entity

Unified School District No. 487 was organized in accordance with State Statutes to provide a system of public education to elementary through high school students who reside within the designated District areas. USD No. 487 is a municipal corporation governed by an elected seven-member board of education. This financial statement presents Unified School District No. 487 and its related municipal entities. The related municipal entities are included in the District's financial reporting entity because they were established to benefit the District and/or its' constituents.

Herington Recreation Commission-The Herington Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body, but the District levies taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds, which are used to record the District's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the District.

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

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

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

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (student organization accounts, etc.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Reimbursements

USD 487 records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are treated as a budget credit.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Use of Estimates
The preparation of a financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, cash expenditures, cash and unencumbered cash balances at the date of the financial statement. Accordingly, actual results could differ from those estimates.

Ad Valorem Tax Receipts
The determination of assessed valuations and collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20 prior to the fiscal year for which they are budgeted and the second half is due the following May 10. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information
Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding eighteen-month period on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the municipality 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 municipality held a revenue neutral rate hearing for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such amendments this year.

After the above procedures have been followed; the Kansas State Board of Education computes the maximum legal general fund of operating expenses. For the fiscal year ended June 30, 2024, the State calculation of the legal maximum general fund budget was $4,432,406 and the legal maximum supplemental general fund was $1,465,578. In accordance with Kansas statutes, a district is penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits. The District was within its maximum legal general and supplemental general fund budget authority for the fiscal year ended June 30, 2024.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory basis receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality 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 certain special purpose funds as noted in the presentation of

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

the appropriate Schedule 2. Spending in funds, which are not subject to the legal annual operating budget requirements are controlled by federal regulations, by other statutes, or by use of internal spending limits established by the governing body.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Finance-Related Legal and Contractual Obligations
References made herein to the statutes are not intended as interpretations of law, rather are offered for consideration of the Director of Accounts and Reports, Department of Education, and interpretation by the County Attorney and legal representatives of the municipality.

Management is not aware of any regulatory violations for the period covered by this audit.

State and Federal Aid Compliance
The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the governmental agency. Any disallowed claim resulting from such audit could become a liability of the General Fund or other applicable fund. However, in the opinion of management, any such disallowed claim would not have a material effect on the financial statements of the District at June 30, 2024.

NOTE 3 - DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories that may be used by the District. The statute requires banks eligible to hold the Government'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 or 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 Government'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.

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%. All deposits were legally secured at June 30, 2024.

At June 30, 2024, the carrying amount of the District's deposits was $3,751,220 and the bank balance was $3,800,222. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $502,570 was covered by FDIC insurance and the remaining $3,297,652 was collateralized by pledged securities held under joint custody receipts issued by banks within the State of Kansas, the Federal Reserve Bank of Kansas City or the Federal Home Loan Bank of Topeka in the District's name.

NOTE 4 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

NOTE 5 - DEFINED BENEFIT PENSION PLAN

Plan Description – The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603), or by calling 1-888-275-5737.

Contributions - K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contributions 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 on or after Jan 1, 2015. Effective January 1, 2015, Kansas law establishes 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 (not including the 1% contribution rate for the Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory rate was 13.38% and 12.57% for the year ended June 30, 2024.

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 $452,756 for the year ended June 30, 2024.

NOTE 5 - DEFINED BENEFIT PENSION PLAN (CONT)

Net Pension Liability

At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $4,323,507. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportionate share 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 6 – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences

The District provides compensation for paid time off. Full-time, twelve-month employees earn 13 days of leave per year. Paid leave is non-accumulative. At year end, the District will reimburse employees for up to 3 days of unused leave at the substitute base pay rate. At the end of each school year, used PTO up to 10 days will be transferred to the sick leave bank with employees having no vested interest in the sick leave bank upon retirement or termination of employment.

Death & Disability Other Post Employment Benefits

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.

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 government makes health care benefits available to eligible formers employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Early Retirement Benefits

The District offers early retirement health care benefits for certified employees that are eligible under the criteria defined in the negotiated agreement. The District pays the cost of a single premium for each early retiree and the retiree is responsible for the balance. During the year ended June 30, 2024, the District paid $85,045 under this plan. Those eligible for this program may receive benefits for up to 10 years but not past the age of 65. The District also pays an early retirement bonus. If the retiree notifies the board by January 1st, the District pays $100 per year the teacher is employed by the District for four years or more. The amount is $50 per year if notification takes place by February 1st. During the year the district had one retiree opt for this benefit at a cost of $2,500.

NOTE 7 - TRANSFERS

Interfund transfers during the fiscal year ended June 30, 2024 consisted of the following:

Transfer From	Transfer To	Amount	Statute
General	Capital Outlay	$ 30,804	72-5167
General	Food Service	50,000	72-5167
General	Professional Dev	12,428	72-5167
General	Parent Education	18,000	72-5167
General	Special Ed	667,370	72-5167
General	Career & Post Secondary	90,000	72-5167
General	At Risk-4 yr	50,704	72-5167
General	At Risk	749,462	72-5167
General	Bilingual	5,597	72-5167
General	Virtual	45,024	72-5167
General	Contingency Reserve	25,000	72-5167
Supplemental General	Professional Dev	8,000	72-5143
Supplemental General	Food Service	80,215	72-5143
Supplemental General	Parent Education	7,000	72-5143
Supplemental General	Special Ed	30,000	72-5143
Supplemental General	Textbook	5,000	72-5143
Supplemental General	Bilingual	2,500	72-5143
Supplemental General	At Risk-4 yr	35,000	72-5143
Supplemental General	At Risk	229,251	72-5143
Supplemental General	Driver's Training	3,000	72-5143
Supplemental General	Career & Post Secondary	167,934	72-5143

NOTE 8 – BOND REFUNDING

The District issued General Obligation Refunding Series 2019 in the amount of $11,130,000. This bond issue refunded $8,230,000 of Series 2013 bonds and $1,670,000 of Series 2014 bonds. The bond proceeds were held in escrow until the bonds could be called. During the current fiscal year, all remaining and outstanding refunded bonds were called and paid in full. The debt schedule in Note 10 shows the bonds outstanding after the refunded amount is applied to the Series 2013 and Series 2014 bonds.

NOTE 9 – LONG-TERM DEBT

Lease Agreements

The District entered into a lease agreement with Security Bank for the purchase of asbestos remediation improvements on April 3, 2019. Annual payments were scheduled for ten years. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the district must return the leased property to the lessor. Payments on this lease are made from the capital outlay fund.

NOTE 9 – LONG-TERM DEBT (CONT)

Lease Agreements

The District entered into a lease agreement with K12itc for the purchase of an intercom system on May 22, 2024. Eighty monthly payments were scheduled beginning July 1, 2024. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the district must return the leased property to the lessor. Payments on this lease are made from the capital outlay fund

Changes in long-term liabilities for the District for the fiscal 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 Refunding Bonds:									
Series 2013	3.5%-3.75%	12/5/2013	$ 9,700,000	9/1/2041	$ 1,470,000	$ 0	$ 0	$ 1,470,000	$ 53,581
Series 2014	3%-3.375%	1/7/2014	5,770,000	9/1/2028	905,000	0	445,000	460,000	22,478
Series 2019	2%-3.1%	10/3/2019	11,130,000	9/1/2036	10,260,000	0	295,000	9,965,000	282,255
Financing Leases:									
Intercom	2.50%	5/22/2024	181,766	2/1/2031	0	181,766	0	181,766	0
Asbestos Removal	3%	4/3/2019	140,000	9/1/2028	875,000	0	135,000	740,000	24,225
Total Contractual Indebtedness					$ 13,510,000	$ 181,766	$ 875,000	$ 12,816,766	$ 382,539

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

	2025	2026	2027	2028	2029	2030-2034	2035-2037	Total
Principal:								
Series 2013	$ 0	$ 0	$ 0	$ 0	$ 340,000	$ 1,130,000	$ 0	$ 1,470,000
Series 2014	460,000	0	0	0	0	0	0	460,000
Series 2019	305,000	790,000	800,000	825,000	510,000	3,565,000	3,170,000	9,965,000
Intercom	25,374	26,015	26,673	27,348	28,039	48,317	0	181,766
Asbestos	140,000	145,000	150,000	150,000	155,000	0	0	740,000
Total Prin.	930,374	961,015	976,673	1,002,348	1,033,039	4,743,317	3,170,000	12,816,766
Interest								
Series 2013	53,581	53,581	53,581	53,581	47,631	42,404	0	304,359
Series 2014	7,762	0	0	0	0	0	0	7,762
Series 2019	275,579	262,865	243,982	234,383	234,383	884,358	210,265	2,345,815
Intercom	4,255	3,613	2,955	2,281	1,589	1,063	0	15,756
Asbestos	20,100	15,825	11,400	6,900	2,325	0	0	56,550
Total Int.	361,277	335,884	311,918	297,145	285,928	927,825	210,265	2,730,242
Total P&I	$ 1,291,651	$ 1,296,899	$ 1,288,591	$ 1,299,493	$ 1,318,967	$ 5,671,142	$ 3,380,265	$ 15,547,008

NOTE 10 - ESSER

The CARES Act included Elementary and Secondary School Emergency Relief (ESSER) Funds for K-12 schools. The ESSER grants will provide school districts with emergency relief funds to address the impact COVID19 has had on elementary and secondary schools. It is being allocated to the Districts in three phases, ESSER I, II, and III. The ESSER I under the Cares Act began in March 2020, the ESSER II under the CRRSA Act began in December 2020, and the ESSER III under the ARP Act began in March 2021. The District was allocated $81,812 for ESSER I, $409,256 for ESSER II, and $919,779 for ESSER III. As of June 30, 2024, the District has expended $81,812 of ESSER I, $409,256 of ESSER II funds, and $888,157 of ESSER III funds.

NOTE 11 – COPIER LEASE

In October 2022, the district entered into a lease agreement with 360 Document Solutions to lease 14 copiers at a monthly cost of $2,475 per month for sixty-three months.

NOTE 12 – DAYCARE FACILITY

The district received a $440,000 grant from the Dickinson County Community Foundation for the construction of a new childcare facility. In 2022-2023, the district expended $214,233 for the project. It was completed in 2023-2024 at a total cost of $495,768.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date that the financial statement was available to be issued.

REGULATORY-REQUIRED

SUPPLEMENTARY INFORMATION

Unified School District No. 487
Herington, Kansas

Schedule 1

Schedule 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)
General Funds						
General	$ 4,665,715	$ (233,309)	$ 154,346	$ 4,586,752	$ 4,586,752	$ 0
Supplemental General	1,536,532	(70,954)	0	1,465,578	1,465,578	0
Special Purpose Funds						
At Risk (4 yr old)	92,767			92,767	55,266	(37,501)
At Risk	1,176,674			1,176,674	1,024,577	(152,097)
Bilingual	14,000			14,000	5,683	(8,317)
Virtual	188,741			188,741	82,430	(106,311)
Capital Outlay	1,008,225			1,008,225	460,012	(548,213)
Driver Training	22,533			22,533	11,362	(11,171)
Food Service	511,792			511,792	438,123	(73,669)
Professional Development	44,124			44,124	34,267	(9,857)
Parent Education	89,578			89,578	88,258	(1,320)
Special Education	960,631			960,631	896,803	(63,828)
Career & Postsecondary	211,481			211,481	210,345	(1,136)
KPERS Retirement	497,792			497,792	452,756	(45,036)
Recreation Commission	85,000			85,000	85,000	0
Bond & Interest Funds						
Bond & Interest	1,098,316			1,098,316	1,098,314	(2)
Related Municipal Entity						
Herington Recreation Comm	190,074			190,074	85,667	(104,407)

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

GENERAL FUND

	Actual	Budget	Variance Over (Under)
Receipts:			
Dickinson & Morris County	$ 56	$ 110	$ (54)
State Aid	3,958,224	3,886,594	71,630
Special Ed Pass Through	474,126	460,979	13,147
Reimbursed & misc income	154,346	79,444	74,902
Total Receipts	4,586,752	4,427,127	159,625
Expenditures			
Instruction	1,037,121	962,390	74,731
Student Support	132,958	190,521	(57,563)
Instructional Support	67,247	67,786	(539)
General Administration	323,538	330,495	(6,957)
School Administration	439,796	442,183	(2,387)
Central Services	0	500	(500)
Operations & Maintenance	782,817	805,467	(22,650)
Student Transportation	36,382	71,530	(35,148)
Daycare	22,504	0	22,504
Operating Transfers	1,744,389	1,794,843	(50,454)
Adjustment to Comply with Legal Max	0	(233,309)	233,309
Total legal general fund budget	4,586,752	4,432,406	154,346
Adjustment for qualifying budget credits	0	154,346	(154,346)
Total Expenditures	4,586,752	$ 4,586,752	$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	$ 0		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
Receipts:			
Dickinson & Morris County	$ 568,549	$ 518,605	$ 49,944
State Aid	927,857	972,778	(44,921)
Other	0	0	0
Total Receipts	1,496,406	1,491,383	5,023
Expenditures			
Instruction	473,291	563,775	(90,484)
Student Support	80,586	80,650	(64)
Instructional Support	118,065	124,726	(6,661)
General Administration	8,705	8,000	705
School Administration	8,369	8,000	369
Central Services	75,466	81,312	(5,846)
Operations & Maintenance	8,830	500	8,330
Student Transportation	124,366	102,882	21,484
Operating Transfers	567,900	566,687	1,213
Adjustment to Comply with Legal Max	0	(70,954)	70,954
Total legal supplemental general fund budget	1,465,578	1,465,578	0
Adjustment for qualifying budget credits	0	0	0
Total Expenditures	1,465,578	$ 1,465,578	$ 0
Receipts Over (Under) Expenditures	30,828		
Unencumbered Cash, July 1	45,149		
Unencumbered Cash, June 30	$ 75,977		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

AT RISK (4 YR OLD)

	Actual	Budget	Variance Over (Under)
Receipts:			
Operating Transfers	$ 85,704	$ 71,056	$ 14,648
Other	1,870	0	1,870
Total Receipts	87,574	71,056	16,518
Expenditures			
Instruction	29,538	68,579	(39,041)
Student Support	109	0	109
Instruction Support	810	1,250	(440)
Operations & Maintenance	2,613	3,925	(1,312)
Student Transportation	22,196	19,013	3,183
Total Expenditures	55,266	$ 92,767	$ (37,501)
Receipts Over (Under) Expenditures	32,308		
Unencumbered Cash, July 1	23,707		
Unencumbered Cash, June 30	$ 56,015		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

AT RISK

	Actual	Budget	Variance Over (Under)
Receipts:			
Operating Transfers	$ 978,713	$ 1,183,507	$ (204,794)
Other Receipts	0	0	0
Total Receipts	978,713	1,183,507	(204,794)
Expenditures			
Instruction	1,022,780	1,164,674	(141,894)
Student Support	0	0	0
Instruction Support	1,496	12,000	(10,504)
School Administration	0	0	0
Student Transportation	301	0	301
Total Expenditures	1,024,577	$ 1,176,674	$ (152,097)
Receipts Over (Under) Expenditures	(45,864)		
Unencumbered Cash, July 1	141,183		
Unencumbered Cash, June 30	$ 95,319		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-E

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

BILINGUAL

	Actual	Budget	Variance Over (Under)
Receipts:			
Other Receipts	$ 0	$ 0	$ 0
Operating Transfers	8,097	12,132	(4,035)
Total Receipts	8,097	12,132	(4,035)
Expenditures			
Instruction	5,412	10,000	(4,588)
Student support	271	2,500	(2,229)
Instructional support	0	1,500	(1,500)
Total Expenditures	5,683	$ 14,000	$ (8,317)
Receipts Over (Under) Expenditures	2,414		
Unencumbered Cash, July 1	1,951		
Unencumbered Cash, June 30	$ 4,365		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-F

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

VIRTUAL

	Actual	Budget	Variance Over (Under)
Receipts:			
Other Receipts	$ 25,000	$ 25,000	$ 0
Operating Transfers	45,024	85,145	(40,121)
Total Receipts	70,024	110,145	(40,121)
Expenditures			
Instruction	81,740	188,741	(107,001)
Other	690	0	690
Total Expenditures	82,430	$ 188,741	$ (106,311)
Receipts Over (Under) Expenditures	(12,406)		
Unencumbered Cash, July 1	81,299		
Unencumbered Cash, June 30	$ 68,893		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-G

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

CAPITAL OUTLAY

	Actual	Budget	Variance Over (Under)
Receipts:			
Dickinson & Morris County	$ 232,560	$ 219,788	$ 12,772
State Aid	152,100	152,474	(374)
Other Receipts	157,941	55,000	102,941
Operating Transfers	30,804	25,000	5,804
Total Receipts	573,405	452,262	121,143
Expenditures			
Capital Outlay	300,921	849,000	(548,079)
Lease principal & interest	159,091	159,225	(134)
Total Expenditures	460,012	$ 1,008,225	$ (548,213)
Receipts Over (Under) Expenditures	113,393		
Unencumbered Cash, July 1	502,842		
Prior Year Cancelled Encumbrance	50,000		
Unencumbered Cash, June 30	$ 666,235		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

DRIVER TRAINING

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	$ 3,625	$ 6,750	$ (3,125)
Other Receipts	3,645	6,750	(3,105)
Operating Transfers	3,000	0	3,000
Total Receipts	10,270	13,500	(3,230)
Expenditures			
Instruction	10,149	18,443	(8,294)
Student support	0	0	0
Vehicle Operation	1,213	4,090	(2,877)
Total Expenditures	11,362	$ 22,533	$ (11,171)
Receipts Over (Under) Expenditures	(1,092)		
Unencumbered Cash, July 1	15,908		
Unencumbered Cash, June 30	$ 14,816		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-I

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

FOOD SERVICE

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	$ 2,378	$ 1,924	$ 454
Federal Aid	271,476	296,906	(25,430)
Meal Receipts	60,654	68,294	(7,640)
Operating Transfers	130,215	90,000	40,215
Total Receipts	464,723	457,124	7,599
Expenditures			
Food Service	438,123	511,792	(73,669)
Adjustment for qualifying budget credits	0	0	0
Total Expenditures	438,123	$ 511,792	$ (73,669)
Receipts Over (Under) Expenditures	26,600		
Unencumbered Cash, July 1	54,858		
Unencumbered Cash, June 30	$ 81,458		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-J

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

PROFESSIONAL DEVELOPMENT

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	$ 5,129	$ 4,388	$ 741
Other receipts	0	0	0
Operating Transfers	20,428	20,000	428
Total Receipts	25,557	24,388	1,169
Expenditures			
Professional Development	34,267	44,124	(9,857)
Other	0	0	0
Total Expenditures	34,267	$ 44,124	$ (9,857)
Receipts Over (Under) Expenditures	(8,710)		
Unencumbered Cash, July 1	24,929		
Unencumbered Cash, June 30	$ 16,219		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-K

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

PARENT EDUCATION

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	$ 51,790	$ 51,790	$ 0
Other Receipts	15,112	15,111	1
Operating Transfers	25,000	21,500	3,500
Total Receipts	91,902	88,401	3,501
Expenditures			
Student Support	87,297	88,301	(1,004)
Instructional Support	961	1,277	(316)
Total Expenditures	88,258	$ 89,578	$ (1,320)
Receipts Over (Under) Expenditures	3,644		
Unencumbered Cash, July 1	1,332		
Unencumbered Cash, June 30	$ 4,976		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-L

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

SPECIAL EDUCATION

	Actual	Budget	Variance Over (Under)
Receipts:			
Other Receipts	$ 46,941	$ 15,000	$ 31,941
Operating Transfers	697,370	765,566	(68,196)
Total Receipts	744,311	780,566	(36,255)
Expenditures			
Instruction	818,365	866,935	(48,570)
Student Support	9,303	26,324	(17,021)
Instructional Support	0	500	(500)
General Administration	118	0	118
Operations and Maintenance	13,137	12,109	1,028
Transportation	55,880	54,763	1,117
Total Expenditures	896,803	$ 960,631	$ (63,828)
Receipts Over (Under) Expenditures	(152,492)		
Unencumbered Cash, July 1	302,884		
Unencumbered Cash, June 30	$ 150,392		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-M

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

CAREER AND POSTSECONDARY EDUCATION

	Actual	Budget	Variance Over (Under)
Receipts:			
State Aid	$ 0	$ 14,805	$ (14,805)
Federal Aid	7,527	0	7,527
Other Receipts	0	0	0
Operating Transfers	257,934	151,320	106,614
Total Receipts	265,461	166,125	99,336
Expenditures			
Instruction	206,304	202,476	3,828
Instruction Support	2,777	1,500	1,277
School Administration	573	1,500	(927)
Operations & Maintenance	208	0	208
Transportation	483	6,005	(5,522)
Other Support	0	0	0
Total Expenditures	210,345	$ 211,481	$ (1,136)
Receipts Over (Under) Expenditures	55,116		
Unencumbered Cash, July 1	64,293		
Unencumbered Cash, June 30	$ 119,409		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-N

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

KPERS RETIREMENT

	Actual	Budget	Variance Over (Under)
Receipts:			
KPERS Employer Contributions	$ 452,756	$ 497,792	$ (45,036)
Transfer from General	0	0	0
Total Receipts	452,756	497,792	(45,036)
Expenditures			
KPERS Employee Benefits	452,756	497,792	(45,036)
Other	0	0	0
Total Expenditures	452,756	$ 497,792	$ (45,036)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	$ 0		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-O

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024

CONTINGENCY RESERVE

	Current Year Actual
Receipts:	
Operating Transfers	$ 25,000
Other Receipts	0
Total Receipts	25,000
Expenditures	
Heating bill	0
Other	0
Total Expenditures	0
Receipts Over (Under) Expenditures	25,000
Unencumbered Cash, July 1	223,567
Unencumbered Cash, June 30	$ 248,567

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-P

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

RECREATION COMMISSION

	Actual	Budget	Variance Over (Under)
Receipts:			
Dickinson & Morris County	$ 82,331	$ 77,503	$ 4,828
Other Receipts	0	0	0
Total Receipts	82,331	77,503	4,828
Expenditures			
Appropriations	85,000	85,000	0
Other	0	0	0
Total Expenditures	85,000	$ 85,000	$ 0
Receipts Over (Under) Expenditures	(2,669)		
Unencumbered Cash, July 1	14,158		
Unencumbered Cash, June 30	$ 11,489		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-Q

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024

	TITLE I	SUPPORTING EFFECTIVE INSTRUCTION	TITLE IVA	SMALL & RURAL SCHOOL	ESSER	KCCTF
Receipts:						
Federal Aid	$ 152,485	$ 18,072	$ 16,230	$ 31,672	$ 255,972	$ 213,038
Other Receipts	0	0	0	0	0	0
Total Receipts	152,485	18,072	16,230	31,672	255,972	213,038
Expenditures						
Program expenditures	151,412	18,072	16,230	23,272	208,340	267,872
Other	0	0	0	0	0	0
Total Expenditures	151,412	18,072	16,230	23,272	208,340	267,872
Receipts Over (Under) Expenditures	1,073	0	0	8,400	47,632	(54,834)
Unencumbered Cash, July 1	0	0	0	(8,400)	(143,127)	0
Unencumbered Cash, June 30	$ 1,073	$ 0	$ 0	$ 0	$ (95,495)	$ (54,834)

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-R

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024

GIFTS AND GRANTS

	Current Year Actual
Receipts:	
Gifts & Grants	$ 143,790
Federal aid	0
Total Receipts	143,790
Expenditures	
Instruction & Programs	406,364
Federal program	0
Other	0
Total Expenditures	406,364
Receipts Over (Under) Expenditures	(262,574)
Unencumbered Cash, July 1	322,447
Unencumbered Cash, June 30	$ 59,873

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-S

Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2024

TEXTBOOK AND STUDENT MATERIALS

	Current Year Actual
Receipts:	
Fees & Donations	$ 12,440
Operating Transfers	5,000
Total Receipts	17,440
Expenditures	
Textbooks and Materials	30,310
Total Expenditures	30,310
Receipts Over (Under) Expenditures	(12,870)
Unencumbered Cash, July 1	108,422
Unencumbered Cash, June 30	$ 95,552

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 2-T

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

BOND & INTEREST

	Actual	Budget	Variance Over (Under)
Receipts:			
Dickinson & Morris County	$ 394,174	$ 369,983	$ 24,191
State Aid	768,820	768,820	0
Other Receipts	0	0	0
Total Receipts	1,162,994	1,138,803	24,191
Expenditures			
Bond payments	1,098,314	1,098,316	(2)
Other	0	0	0
Total Expenditures	1,098,314	$ 1,098,316	$ (2)
Receipts Over (Under) Expenditures	64,680		
Unencumbered Cash, July 1	1,224,090		
Unencumbered Cash, June 30	$ 1,288,770		

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 3

Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2024

AGENCY FUNDS

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Herington High School	$ 23,747	$ 135,263	$ 124,255	$ 34,755
Herington Middle School	5,964	13,114	14,067	5,011
Herington Elementary School	0	5,492	398	5,094
Total Agency Funds	$ 29,711	$ 153,869	$ 138,720	$ 44,860

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 4

Schedule of Receipts and Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2024

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts/Athletics	$ 0	$ 102,396	$ 102,396	$ 0	$ 0	$ 0
School Projects						
Herington High	41,788	90,519	85,322	46,985	0	46,985
Herington Middle	2,336	20,662	19,169	3,829	0	3,829
Herington Elementary	2,801	32,870	33,092	2,579	0	2,579
	46,925	144,051	137,583	53,393	0	53,393
Total Activity Funds	$ 46,925	$ 246,447	$ 239,979	$ 53,393	$ 0	$ 53,393

See accompanying auditor's report.

Unified School District No. 487
Herington, Kansas

Schedule 5-A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2024

RELATED MUNICIPAL ENTITY
HERINGTON RECREATION COMMISSION

	Actual	Budget	Variance Over (Under)
Receipts:			
USD 487	$ 85,000	$ 85,000	$ 0
Interest	3,313	1,000	2,313
Other receipts	0	0	0
Fees & User Charges	19,379	9,500	9,879
Total Receipts	107,692	95,500	12,192
Expenditures			
Programs & Activities	14,881	22,000	(7,119)
Fees	2,500	2,700	(200)
Insurance	3,630	4,000	(370)
Capital Outlay	19,855	103,374	(83,519)
Wages & taxes	34,750	40,000	(5,250)
Supplies & Maintenance	6,555	12,000	(5,445)
Utilities	3,496	6,000	(2,504)
Total Expenditures	85,667	$ 190,074	$ (104,407)
Receipts Over (Under) Expenditures	22,025		
Unencumbered Cash, July 1	85,574		
Unencumbered Cash, June 30	$ 107,599		

See accompanying auditor's report.

Cindy Jensen
Certified Public Accountant

218 W Main **620-767-5064**
Council Grove, KS 66846 **c.jensen@tctelco.net**

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

Board of Education
Unified School District No. 487
Herington, KS 67449

We have audited, in accordance with the 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 Kansas Municipal Audit and Accounting Guide, the financial statement of Unified School District No. 487, Herington, Kansas, as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise Unified School District 487's basic financial statement, and have issued our report thereon dated March 12, 2025. Our report on the financial statement disclosed that, as described in Note 1 to the financial statement, Unified School District No. 487 prepares its financial statement 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 generally accepted accounting principles.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statement, we considered Unified School District 487's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness Unified School District No. 487's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 487's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 487, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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



Cindy Jensen
Certified Public Accountant
Council Grove, Kansas
March 12, 2025

Cindy Jensen
Certified Public Accountant

218 W Main **620-767-5064**
Council Grove, KS 66846 **c.jensen@tctelco.net**

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

Board of Education
Unified School District No. 487
Herington, KS 67449

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Unified School District No. 487, Herington, Kansas' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Unified School District No. 487, Kansas' major federal programs for the year ended June 30, 2024. Unified School District No. 487, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 487, Kansas complied, in all material respects, with the 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 with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Unified School District No. 487, 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. 487, Kansas' 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 grants agreements applicable to Unified School District No. 487, Kansas' federal programs.

Auditor's Responsibility for the Audit of Compliance
Our objective is 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. 487, 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 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 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. 487, 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. 487, 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. 487's' internal control of 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 our audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on 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.

Cindy Jensen CPA

Cindy Jensen
Certified Public Accountant
Council Grove, Kansas
March 12, 2025

Unified School District No. 487
Herington, Kansas

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Pass-Through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Rural and Low-Income School Program (REAP)	84.358		$ 23,272
Passed through from the Kansas Department of Education:			
Title I	84.010A	n/a	151,412
Supporting Effective Instruction	84.367A	n/a	18,072
Title IVA	84.424A	n/a	16,230
Career and Technical Education	84.048	n/a	7,527
ESSER-COVID 19	84.425	n/a	208,340
Total passed through from KSDE			401,581
TOTAL U.S. DEPARTMENT OF EDUCATION			424,853
U.S. DEPARTMENT OF AGRICULTURE			
Passed through from the Kansas Department of Education:			
Child Nutrition Cluster:			
Summer Food Service Program	10.559	n/a	25,949
School Breakfast Program	10.553	n/a	51,893
National School Lunch Program	10.555	n/a	165,517
Total Child Nutrition Cluster			243,359
Local Food for School	10.185		4,091
Child & Adult Care Food Program-COVID 19	10.558	n/a	24,026
TOTAL U.S. DEPARTMENT OF AGRICULTURE			271,476
U.S. Department of Health & Human Services			
Passed through from the Kansas Department of Education:			
Administration for children and Families Office of Child Care	93.575	n/a	267,872
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			267,872
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			$ 964,201

Unified School District No. 487
Herington, Kansas

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2024

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 487, Kansas under programs of the federal government for the year ended June 30, 2023. 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, changes in net assets, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the State of Kansas regulatory basis of accounting. Expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – COST SHARE

The district is provided cost sharing amounts for certain programs. The schedule of expenditures of federal awards includes only the federal share of expenditures.

Funds where current year federal expenditures were receipted and expended are as follows:

Fund:	Amount
Small & Rural Schools	$ 23,272
Title I	151,412
Supporting Effective Instruction	18,072
Title IVA	16,230
ESSER	208,340
Career Tech	7,527
Food Service	271,476
KCCTF	267,872
	$ 964,201

Unified School District No. 487
Herington, Kansas

Schedule of Findings and Questioned Costs
June 30, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:			
In accordance with Generally Accepted Accounting Principles	Adverse		
In accordance with the Kansas Regulatory basis of accounting as described in Note 1 to the financial statement	Unmodified		
Internal control over financial reporting:			
Material weakness identified?	YES	X	NO
Significant deficiency identified?	YES	X	None reported
Noncompliance material to the financial statement noted?	YES	X	NO

FEDERAL AWARDS

Internal control over major programs:			
Material weakness identified?	YES	X	NO
Significant deficiency identified?	YES	X	None reported
Type of auditor's report issued on compliance for major programs	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	YES	X	NO

Identification of major programs:
84.425 Education Stabilization Fund (ESF)
93.575 Child Care and Development Block Grant

Dollar threshold used to distinguish betwee type A and type B programs:	$750,000		
Auditee qualified as low-risk auditee?	YES	X	NO

Unified School District No. 487
Herington, Kansas

Schedule of Findings and Questioned Costs
June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no reportable findings.

SECTION IV - SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

There were no reportable findings in the prior year