Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Financial Statement
As of June 30, 2025
and For the Year Then Ended

With Report by Independent Auditor

SHIPLEY
CPA, LLC
Audit, Assurance, & Consulting Services

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Santa Fe Trail Unified School District No. 434

Adverse and Unmodified Opinions
I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of Santa Fe Trail Unified School District No. 434 (the District), as of and for the year ended June 30, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In my opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of my report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In my opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
I conducted my 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*, issued by the Comptroller General of the United States, and the KMAAG. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am required to be independent of the District, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the KMAAG 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.

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- 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 my 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.

I am 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 I identified during the audit.

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Other Matters

Supplementary Information

My 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 schedules listed under regulatory required supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U*.S. Code of Federal Regulation* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the 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 KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated October 21, 2025 on my consideration of the District's internal control over financial reporting and on my 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 my 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.

Shipley CPA, LLC

Shipley CPA, LLC
Topeka, Kansas
October 21, 2025

Santa Fe Trail Unified School District No. 434 **Statement 1**
Scranton, Kansas
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General	$ 208	$ 9,898,833	$ 9,899,041	$ -	$ 228,969	$ 228,969
Supplemental General	135,910	3,373,952	3,296,167	213,695	17,057	230,752
Special Purpose Funds:						
Gifts and Grants	526,518	80,140	100,145	506,513	2,539	509,052
At Risk (4 year olds)	25,000	99,399	97,438	26,961	10,413	37,374
At Risk (K-12)	96,481	1,766,743	1,828,816	34,408	116,026	150,434
Bilingual Education	283	-	-	283	-	283
Driver Training	17,942	19,845	19,942	17,845	-	17,845
Food Service	207,902	632,598	722,601	117,899	1,290	119,189
Professional Development	71,777	7,405	9,049	70,133	75	70,208
Career and Postsecondary Education	119,139	245,552	311,138	53,553	16,847	70,400
Special Education	682,729	2,859,702	2,809,467	732,964	2,165	735,129
Virtual Education	10,933	3,417	13,300	1,050	-	1,050
Federal Grant Funds	(30,574)	451,167	399,808	20,785	10,762	31,547
KPERS Special Retirement Contribution	-	926,421	926,421	-	-	-
Contingency Reserve	475,101	-	-	475,101	-	475,101
Textbook Rental	162,631	80,411	98,332	144,710	-	144,710
Capital Outlay	1,228,487	1,294,822	1,176,681	1,346,628	536,457	1,883,085
Gate Receipts	25,059	108,437	112,289	21,207	-	21,207
District Activity	46,418	126,331	128,802	43,947	-	43,947
Bond and Interest Fund	1,042,097	589,193	386,067	1,245,223	-	1,245,223
Total Reporting Entity (Excluding Agency Funds)	$ 4,844,041	$ 22,564,368	$ 22,335,504	$ 5,072,905	$ 942,600	$ 6,015,505

Composition of Cash:	
Checking accounts	$ 3,283,817
Kansas Municipal Investment Pool	2,842,295
Less Agency Funds per Schedule 3	(110,607)
Total Reporting Entity (Excluding Agency Funds)	$ 6,015,505

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

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Notes to the Financial Statement
For the Year Ended June 30, 2025

1. Summary of Significant Accounting Policies

Reporting Entity
Santa Fe Trail Unified School District No. 434 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Fund Accounting
The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds were utilized in recording the financial activities of the District for the year ended June 30, 2025.

Regulatory Basis Fund Types

General fund and Supplemental General fund – used to account for the general operations of the District and are used to account for all resources except those required to be accounted for in other funds.
Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.
Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.
Agency fund – used to account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

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.

2. Budgetary Information

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

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

If the District is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The District did hold a revenue neutral 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 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 for 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 regulatory 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 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 agency funds, activity funds, and the following special purpose funds: textbook rental, contingency reserve, 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.

3. Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

4. Deposits and Investments

As of June 30, 2025, the Municipality had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1-2	Rating U.S.
Kansas Municipal Investment Pool	$ 2,842,295	$ 2,842,295	$ -	n/a

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.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk: State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by 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 did not have a peak period pledge agreement during the year ended June 30, 2025, and therefore the District did not designate peak periods. All deposits were legally secured at June 30, 2025.

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.

At June 30, 2025, the District's carrying amount of deposits was $3,283,817 and the bank balance was $3,653,305. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance, and the remaining was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name.

5. Long-Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2025, were as follows:

	Amount of Issue	Interest Rates	Date of Issue	Date of Final Maturity
General Obligation Bonds				
Series 2013	$ 4,600,000	1.35-2.35%	5/1/2013	9/1/2028
Lease purchase agreements:				
Bus Lease 1	592,866	n/a	7/1/2023	6/30/2026
Bus Lease 2	960,570	n/a	7/1/2023	6/30/2028
Bus Lease 3	177,540	n/a	10/1/2022	6/30/2027
Bus Lease 4	60,445	n/a	3/1/2023	2/29/2028
Bus Lease 5	55,072	n/a	7/1/2024	6/30/2028
Bus Lease 6	32,822	n/a	7/1/2024	6/30/2026

	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
Series 2013	$ 1,865,000	$ -	$ 350,000	$ 1,515,000	$ 36,065
Lease purchase agreements:					
Bus Lease 1	395,244	-	197,622	197,622	-
Bus Lease 2	768,456	-	192,114	576,342	-
Bus Lease 3	106,524	-	35,509	71,015	-
Bus Lease 4	36,267	-	12,089	24,178	-
Bus Lease 5	-	55,072	13,768	41,304	-
Bus Lease 6	-	32,822	16,411	16,411	-
	1,306,491	87,894	467,513	926,872	-
Early retirement benefits	10,350	-	6,600	3,750	-
Total Long Term Debt	$ 3,181,841	$ 87,894	$ 824,113	$ 2,445,622	$ 36,065

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

Year	Principal	Interest
2026	$ 830,812	$ 32,828
2027	628,928	25,628
2028	590,882	17,753
2029	395,000	9,283
2030	-	-
Total	$ 2,445,622	$ 85,492

6. Interfund Transactions

Operating transfers during the fiscal year ended June 30, 2025 were as follows:

From	To	Regulatory Authority	Amount
General Fund	At Risk (4 year olds)	K.S.A. 72-5167	$ 52,097
General Fund	At Risk (K-12)	K.S.A. 72-5167	1,020,405
General Fund	Virtual Education	K.S.A. 72-5167	1,050
General Fund	Career and Postsecondary Education	K.S.A. 72-5167	188,710
General Fund	Special Education	K.S.A. 72-5167	2,287,414
General Fund	Capital Outlay	K.S.A. 72-5167	758
General Fund	Food Service	K.S.A. 72-5167	50,000
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	746,338
Supplemental General	Virtual Education	K.S.A. 72-5143	2,367
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	26,521
Supplemental General	Special Education	K.S.A. 72-5143	543,772
Title II A	Title I	n/a	8

7. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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, 2025.

The District has a plan that provides early retirement benefits to certain eligible employees. To be eligible for early retirement benefits, employees must have been employed by the District for a minimum of fifteen years, must not be age sixty-five or older and must meet one of the following criteria: full retirement qualifications as required by KPERS or acquired eighty-five KPERS retirement points. Benefits for eligible participants include receiving the longevity payments the employee was eligible for during the last year of employment and the opportunity to remain in the District's group health insurance plan at the employee's cost. These benefits will continue until the participant reaches age sixty-five.

8. Compensated Absences

Under the terms of the District's personnel policy, District employees are granted annual personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

9. Defined Benefit Pension Plan

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

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

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

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

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

9. Defined Benefit Pension Plan (continued)

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 $960,298 for the year ended June 30, 2025.

Net Pension Liability

At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $8,792,395. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2024. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

10. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

11. Subsequent Events

The District has evaluated events and transactions for potential recognition or disclosure through October 21, 2025, the date the financial statement was available for issue.

Regulatory-Required Supplementary Information

Schedule 1

Santa Fe Trail Unified School District No. 434
Scranton, Kansas
Summary of Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	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	$ 10,343,986	$ (453,051)	$ 8,106	$ 9,899,041	$ 9,899,041	$ -
Supplemental General	3,439,656	(143,501)	12	3,296,167	3,296,167	-
Special Revenue Funds:						
Gifts and Grants	581,233	-	-	581,233	100,145	(481,088)
At Risk (4 year olds)	120,000	-	-	120,000	97,438	(22,562)
At Risk (K-12)	2,974,481	-	-	2,974,481	1,828,816	(1,145,665)
Bilingual Education	283	-	-	283	-	(283)
Driver Training	41,727	-	-	41,727	19,942	(21,785)
Food Service	895,508	-	-	895,508	722,601	(172,907)
Professional Development	77,027	-	-	77,027	9,049	(67,978)
Career and Postsecondary Education	311,139	-	-	311,139	311,138	(1)
Special Education	2,968,002	-	-	2,968,002	2,809,467	(158,535)
Virtual Education	20,933	-	-	20,933	13,300	(7,633)
Federal Grant Funds	755,896	-	-	755,896	399,808	(356,088)
KPERS Special Retirement Contribution	1,189,373	-	-	1,189,373	926,421	(262,952)
Capital Outlay	2,308,892	-	-	2,308,892	1,176,681	(1,132,211)
Bond and Interest Fund	386,115	-	-	386,115	386,067	(48)

See independent auditor's report on regulatory-required supplementary information.

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
State equalization aid	$ 8,282,103	$ 8,644,324	$ (362,221)
State special education fund	1,608,624	1,699,454	(90,830)
Reimbursements	8,106	-	8,106
Total Receipts	9,898,833	$ 10,343,778	$ (444,945)
Expenditures			
Instruction	3,416,196	$ 3,053,175	$ 363,021
Student support services	421,841	365,175	56,666
Instructional support staff	196,105	249,000	(52,895)
General administration	305,402	307,000	(1,598)
School administration	777,836	840,000	(62,164)
Operations and maintenance	332,166	680,000	(347,834)
Transportation services	465,442	540,500	(75,058)
Other supplemental services	383,619	481,000	(97,381)
Transfers out	3,600,434	3,828,136	(227,702)
Adjustment to comply to legal max	-	(453,051)	453,051
	9,899,041	9,890,935	8,106
Adjustment for qualifying budget credit	-	8,106	(8,106)
Total Expenditures	9,899,041	$ 9,899,041	$ -
Receipts Over (Under) Expenditures	(208)		
Unencumbered Cash, Beginning	208		
Unencumbered Cash, Ending	$ -		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Supplemental General Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Ad valorem current tax	$ 1,295,462	$ 1,318,081	$ (22,619)
Ad valorem tax in process	1,532	-	1,532
Delinquent	29,458	94,000	(64,542)
Motor and recreational vehicle	142,946	129,729	13,217
Recreational vehicle tax	3,649	1,744	1,905
Commercial vechicle tax	-	366	(366)
Supplemental state aid	1,900,893	1,983,650	(82,757)
Reimbursements	12	-	12
Transfers in	-	-	-
Total Receipts	3,373,952	$ 3,527,570	$ (153,618)
Expenditures			
Instruction	401,268	$ 450,185	$ (48,917)
Student support services	-	-	-
Instructional support services	1,300	30,000	(28,700)
Operations and maintenance	930,925	732,299	198,626
General administration	56,965	65,000	(8,035)
Transportation	543,277	611,000	(67,723)
Other supplemental services	43,434	21,500	21,934
Transfers out	1,318,998	1,529,672	(210,674)
Adjustment to comply to legal max	-	(143,501)	143,501
	3,296,167	3,296,155	12
Adjustment for qualifying budget credit	-	12	(12)
Total Expenditures	3,296,167	$ 3,296,167	$ -
Receipts Over (Under) Expenditures	77,785		
Unencumbered Cash, Beginning	135,910		
Unencumbered Cash, Ending	$ 213,695		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Gifts and Grants Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Grants and contributions	$ 25,426	$ 40,000	$ (14,574)
Federal aid	-	-	-
State aid	14,714	14,714	-
Miscellaneous	40,000	-	40,000
Total Receipts	80,140	$ 54,714	$ 25,426
Expenditures			
Instruction	38,369	$ 499,714	$ (461,345)
Operations and maintenance	-	-	-
Instructional support staff	61,776	81,519	(19,743)
Total Expenditures	100,145	$ 581,233	$ (481,088)
Receipts Over (Under) Expenditures	(20,005)		
Unencumbered Cash, Beginning	526,518		
Unencumbered Cash, Ending	$ 506,513		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
At Risk (4 year olds) Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Federal aid	$ -	$ -	$ -
Transfers in	52,097	15,000	37,097
Miscellaneous	47,302	80,000	(32,698)
Total Receipts	99,399	$ 95,000	$ 4,399
Expenditures			
Instruction	86,755	112,400	$ (25,645)
Student transportation services	10,683	7,600	3,083
Total Expenditures	97,438	$ 120,000	$ (22,562)
Receipts Over (Under) Expenditures	1,961		
Unencumbered Cash, Beginning	25,000		
Unencumbered Cash, Ending	$ 26,961		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
At Risk (K-12) Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Transfers in	$ 1,766,743	2,878,000	$ (1,111,257)
Total Receipts	1,766,743	$ 2,878,000	$ (1,111,257)
Expenditures			
Instruction	1,828,816	$ 2,974,481	$ (1,145,665)
Student transportation services	-	-	-
Total Expenditures	1,828,816	$ 2,974,481	$ (1,145,665)
Receipts Over (Under) Expenditures	(62,073)		
Unencumbered Cash, Beginning	96,481		
Unencumbered Cash, Ending	$ 34,408		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Bilingual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Miscellaneous	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Instruction	-	$ 283	$ (283)
Total Expenditures	-	$ 283	$ (283)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	283		
Unencumbered Cash, Ending	$ 283		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Driver Training Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
State aid	$ 7,395	$ 6,750	$ 645
Reimbursements	12,450	10,000	2,450
Transfers in	-	7,035	(7,035)
Total Receipts	19,845	$ 23,785	$ (3,940)
Expenditures			
Instruction	13,853	$ 28,527	$ (14,674)
Operations and maintenance	6,089	13,200	(7,111)
Total Expenditures	19,942	$ 41,727	$ (21,785)
Receipts Over (Under) Expenditures	(97)		
Unencumbered Cash, Beginning	17,942		
Unencumbered Cash, Ending	$ 17,845		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Food Service Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Federal aid	$ 375,486	$ 395,021	$ (19,535)
State aid	3,679	5,360	(1,681)
Lunch receipts	203,433	287,225	(83,792)
Transfers in	50,000	-	50,000
Miscellaneous	-	-	-
Total Receipts	632,598	$ 687,606	$ (55,008)
Expenditures			
Food service	722,601	$ 895,508	$ (172,907)
Operations and maintenance	-	-	-
Total Expenditures	722,601	$ 895,508	$ (172,907)
Receipts Over (Under) Expenditures	(90,003)		
Unencumbered Cash, Beginning	207,902		
Unencumbered Cash, Ending	$ 117,899		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Professional Development Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
State aid	$ 7,405	$ 5,250	$ 2,155
Transfers in	-	-	-
Total Receipts	7,405	$ 5,250	$ 2,155
Expenditures			
Instructional support staff	9,049	$ 50,100	$ (41,051)
Other support services	-	26,927	(26,927)
Total Expenditures	9,049	$ 77,027	$ (67,978)
Receipts Over (Under) Expenditures	(1,644)		
Unencumbered Cash, Beginning	71,777		
Unencumbered Cash, Ending	$ 70,133		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Transfers in	$ 215,231	$ 165,000	$ 50,231
State aid	28,551	27,000	1,551
Miscellaneous	1,770	-	1,770
Total Receipts	245,552	$ 192,000	$ 53,552
Expenditures			
Instruction	309,778	$ 310,139	$ (361)
Instructional support staff	986	-	986
Student support services	374	1,000	(626)
Student Transportation	-	-	-
Total Expenditures	311,138	$ 311,139	$ (1)
Receipts Over (Under) Expenditures	(65,586)		
Unencumbered Cash, Beginning	119,139		
Unencumbered Cash, Ending	$ 53,553		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Special Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Federal aid	$ -	$ -	$ -
Medicaid	2,372	2,500	(128)
Reimbursements	26,144	-	26,144
Transfers in	2,831,186	2,282,773	548,413
Total Receipts	2,859,702	$ 2,285,273	$ 574,429
Expenditures			
Instruction	2,568,920	$ 2,726,089	$ (157,169)
Operations and maintenance	-	10,000	(10,000)
Student transportation services	240,547	231,913	8,634
Total Expenditures	2,809,467	$ 2,968,002	$ (158,535)
Receipts Over (Under) Expenditures	50,235		
Unencumbered Cash, Beginning	682,729		
Unencumbered Cash, Ending	$ 732,964		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Virtual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Transfers in	$ 3,417	$ 10,000	$ (6,583)
Total Receipts	3,417	$ 10,000	$ (6,583)
Expenditures			
Instruction	13,300	$ 20,933	$ (7,633)
Total Expenditures	13,300	$ 20,933	$ (7,633)
Receipts Over (Under) Expenditures	(9,883)		
Unencumbered Cash, Beginning	10,933		
Unencumbered Cash, Ending	$ 1,050		

Schedule 2

Santa Fe Trail Unified School District No. 434
Scranton, Kansas
Federal Grant Funds
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Title I Actual	Title II A Actual	Title V Actual	CARES-ESSER III Actual	Federal Funds Actual	Federal Funds Budget	Variance-Over (Under)
Receipts							
Federal aid	$ 171,472	$ 5,284	$ -	$ 274,264	$ 451,020	$ 755,896	$ (304,876)
Miscellaneous	139	-	-	-	139	-	139
Transfers in	8	-	-	-	8	-	8
Total Receipts	171,619	5,284	-	274,264	451,167	$ 755,896	$ (304,729)
Expenditures							
Instruction	171,619	-	-	217,162	388,781	$ 335,622	$ 53,159
Instructional support staff	-	5,276	-	-	5,276	30,000	(24,724)
Operations and maintenance	-	-	-	-	-	165,274	(165,274)
Student support services	-	-	-	5,743	5,743	225,000	(219,257)
Transfers out	-	8	-	-	8	-	8
Total Expenditures	171,619	5,284	-	222,905	399,808	$ 755,896	$ (356,088)
Receipts Over (Under) Expenditures	-	-	-	51,359	51,359		
Unencumbered Cash, Beginning	-	-	-	(30,574)	(30,574)		
Unencumbered Cash, Ending	$ -	$ -	$ -	$ 20,785	$ 20,785		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
State aid	$ 926,421	$ 1,189,373	$ (262,952)
Total Receipts	926,421	$ 1,189,373	$ (262,952)
Expenditures			
Instruction	599,859	$ 770,114	$ (170,255)
Student support services	64,847	83,252	(18,405)
Instructional support staff	27,794	35,683	(7,889)
General administration	27,794	35,683	(7,889)
School administration	74,115	95,151	(21,036)
Other support services	27,794	35,683	(7,889)
Operations and maintenance	55,582	71,358	(15,776)
Student transportation	2,315	2,973	(658)
Food service operations	46,321	59,476	(13,155)
Total Expenditures	926,421	$ 1,189,373	$ (262,952)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Contingency Reserve Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended June 30, 2025

	Actual
Receipts	
Transfers in	$ -
Total Receipts	-
Expenditures	
Transfers out	-
Total Expenditures	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	475,101
Unencumbered Cash, Ending	$ 475,101

Santa Fe Trail Unified School District No. 434
Scranton, Kansas
Textbook Rental Fund
Schedule of Receipts and Expenditures – Actual
Regulatory Basis
For the Year Ended June 30, 2025

	Actual
Receipts	
Fees	$ 80,411
Total Receipts	80,411
Expenditures	
Instruction	98,332
Total Expenditures	98,332
Receipts Over (Under) Expenditures	(17,921)
Unencumbered Cash, Beginning	162,631
Unencumbered Cash, Ending	$ 144,710

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Capital Outlay Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Ad valorem current tax	$ 543,256	$ 514,168	$ 29,088
Ad valorem tax in process	16,979	39,286	(22,307)
Delinquent	13,103	8,566	4,537
Motor and recreational vehicle	61,907	55,233	6,674
Recreational vehicle tax	1,670	742	928
Commercial vehicle tax	-	155	(155)
State aid	379,492	362,255	17,237
Interest	143,941	100,000	43,941
Miscellaneous	133,716	-	133,716
Transfers in	758	-	758
Total Receipts	1,294,822	$ 1,080,405	$ 214,417
Expenditures			
Instruction	745,990	$ 1,029,351	$ (283,361)
Instructional support equipment	-	-	-
School administration equipment	-	-	-
Operations and maintenance	371,387	800,000	(428,613)
Capital	59,304	479,541	(420,237)
Total Expenditures	1,176,681	$ 2,308,892	$ (1,132,211)
Receipts Over (Under) Expenditures	118,141		
Unencumbered Cash, Beginning	1,228,487		
Unencumbered Cash, Ending	$ 1,346,628		

Santa Fe Trail Unified School District No. 434 **Schedule 2**
Scranton, Kansas
Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance-Over (Under)
Receipts			
Ad valorem current tax	$ 310,882	$ 278,014	$ 32,868
Ad valorem tax in process	-	-	-
Delinquent	7,385	13,682	(6,297)
Motor and recreational vehicle	34,479	29,786	4,693
Recreational vehicle tax	947	400	547
Commercial vehicle tax	-	84	(84)
State aid	235,500	235,500	-
Total Receipts	589,193	$ 557,466	$ 31,727
Expenditures			
Principal	350,000	$ 350,000	$ -
Bond fees	-	50	(50)
Interest	36,067	36,065	2
Total Expenditures	386,067	$ 386,115	$ (48)
Receipts Over (Under) Expenditures	203,126		
Unencumbered Cash, Beginning	1,042,097		
Unencumbered Cash, Ending	$ 1,245,223		

Santa Fe Trail Unified School District No. 434 **Schedule 3**
Scranton, Kansas
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
High School:				
Art club	$ 865	$ -	$ 125	$ 740
Band boosters	845	-	416	429
Cheerleaders	393	10,558	7,611	3,340
Class of 2029	108	504	-	612
Class of 2028	261	120	-	381
Class of 2025	721	1,374	1,362	733
Class of 2026	802	3,681	3,553	930
Class of 2027	509	552	-	1,061
Debate/forensics	521	111	272	360
Drama	819	279	498	600
Dance team	1,619	4,440	4,721	1,338
FACS/BCBS	739	-	-	739
FBLA	5,576	14,971	13,881	6,666
Green team	1,413	1,018	1,728	703
KAY	2,244	1,103	1,260	2,087
Kitchen	230	-	-	230
ACCC scholarship	8,681	21,860	8,953	21,588
Ferril scholarship	2,940	-	2,500	440
Miscellaneous	863	358	-	1,221
National Honor Society	2,976	1,330	1,620	2,686
Sales tax	1,022	13,357	-	14,379
Scholar's bowl	3	-	-	3
Raby scholarship	2,480	1,000	1,000	2,480
Caution scholarship	-	3,875	-	3,875
Stuco	4,226	2,562	3,164	3,624
Concessions	4,682	12,919	13,285	4,316
Students in need	1,698	-	428	1,270
Therapy dog	2,186	2,500	394	4,292
Entrepreneurship	-	300	193	107
PE	-	2,000	1,910	90
Thunderstruck spirit club	774	3,114	3,156	732
Overbrook CFF	500	-	500	-
Choir	680	504	639	545
Total High School	51,376	104,390	73,169	82,597

Santa Fe Trail Unified School District No. 434 **Schedule 3**
Scranton, Kansas
Agency Funds (continued)
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Overbrook Attendance Center:				
Sales tax	$ 6	$ 10	$ -	$ 16
Student light house	877	616	33	1,460
Gift fund	2,071	-	615	1,456
Total Overbrook Attendance Center	2,954	626	648	2,932
Carbondale Attendance Center:				
Cheerleaders	1,171	4,238	4,268	1,141
Weights	272	-	-	272
FBLA-jr.	490	1,274	1,764	-
Art	522	-	-	522
K.C.'s fitness	-	-	-	-
Band	563	1,164	490	1,237
Choir	-	374	725	(351)
PE	5	-	-	5
Pop fund	1,223	1,124	677	1,670
Social fund	3	100	-	103
Activity fees	-	100	100	-
Principal's fund	759	33	451	341
Sales tax	39	17	-	56
Scholarships	300	-	-	300
KAY	536	8,426	2,037	6,925
Library	101	10	111	-
Stuco projects	1,630	637	985	1,282
Concessions	6,689	9,168	7,403	8,454
Technology	-	825	825	-
Grade 8th graduation	-	535	-	535
Class of 2028	888	238	341	785
Class of 2027	158	1,620	1,313	465
Class of 2026	47	2,605	1,797	855
Class of 2025	579	4,787	5,289	77
Class of 2030	1,641	-	2,042	(401)
Class of 2029	-	805	-	805
Total Carbondale Attendance Center	17,616	38,080	30,618	25,078
Total Agency Funds	$ 71,946	$ 143,096	$ 104,435	$ 110,607

Santa Fe Trail Unified School District No. 434 **Schedule 4**
Scranton, Kansas
Gate Receipts
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate receipts:						
Carbondale Attendance Center	$ 6,764	$ 21,526	$ 14,444	$ 13,846	$ -	$ 13,846
High School	18,295	86,911	97,845	7,361	-	7,361
Total gate receipts	$ 25,059	$ 108,437	$ 112,289	$ 21,207	$ -	$ 21,207

Santa Fe Trail Unified School District No. 434 **Schedule 5**
Scranton, Kansas
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
School projects:						
Carbondale Attendance Center:						
Book fairs	$ -	$ 3,335	$ 3,705	$ (370)	$ -	$ (370)
Enrollment fees/textbooks	50	5,755	5,805	-	-	-
Memorials	135	-	-	135	-	135
Lunch account	530	21,737	22,267	-	-	-
Pencils	-	-	-	-	-	-
Fundraisers	5,707	9,082	8,615	6,174	-	6,174
P.E. funds	-	-	-	-	-	-
School pictures	-	-	-	-	-	-
Quiz bowl	90	581	671	-	-	-
Yearbook	-	1,973	-	1,973	-	1,973
Total Carbondale Attendance Center	6,512	42,463	41,063	7,912	-	7,912
Overbrook Attendance Center:						
Book fairs	491	3,607	2,030	2,068	-	2,068
Enrollment fees/textbooks	-	3,164	3,164	-	-	-
Chromebook fee	-	1,595	1,595	-	-	-
Summer enrichment program	-	-	83	(83)	-	(83)
Library	478	20	-	498	-	498
Lunch account	200	16,833	17,025	8	-	8
Miscellaneous	1	-	-	1	-	1
Rock your school	7,444	1,822	8,150	1,116	-	1,116
Field trips	6,298	4,723	5,288	5,733	-	5,733
Specials	-	-	-	-	-	-
Social fund	85	770	831	24	-	24
Building fund	1,676	-	574	1,102	-	1,102
School fund	6,334	2,252	1,155	7,431	-	7,431
Yearbook	616	319	241	694	-	694
Total Overbrook Attendance Center	23,623	35,105	40,136	18,592	-	18,592
High School:						
Charger shop	3,798	1,693	1,820	3,671	-	3,671
Chromebook fee	-	4,310	4,310	-	-	-
Enrollment fees/textbooks	-	4,743	4,743	-	-	-
District passes	-	1,750	1,750	-	-	-
Library	781	-	235	546	-	546
Lunch account	-	24,734	24,734	-	-	-
Renaissance	1,029	-	-	1,029	-	1,029
Science department	369	-	-	369	-	369
Special services fund	(1,500)	1,512	343	(331)	-	(331)
Charger Day donation	80	-	-	80	-	80
Industrial technology	2,782	1,070	599	3,253	-	3,253
Summer school	-	-	-	-	-	-
Yearbook	8,944	8,951	9,069	8,826	-	8,826
Total High School	16,283	48,763	47,603	17,443	-	17,443
Total School Project Funds	$ 46,418	$ 126,331	$ 128,802	$ 43,947	$ -	$ 43,947

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal Assisted Listing Number	Expenditures
Department of Health and Human Services		
Passed through Kansas State Department of Education		
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	$ 85,926
Temporary Assistance for Needy Families	93.558	40,115
Total Department of Health and Human Services		126,041
United States Department of Agriculture		
Passed through Kansas State Department of Education		
Child Nutrition Cluster		
School Breakfast Program	10.553	72,815
National School Lunch Program (NSLP)	10.555	220,925
Special Milk Program for Children	10.556	2,703
Summer Food Service Program for Children (SFSPC)	10.559	77,731
Total Child Nutrition Cluster		374,174
Total United States Department of Agriculture		374,174
United States Department of Education		
Passed through Kansas State Department of Education		
Student Support and Academic Enrichment	84.424A	206,944
Title I, Grants to Local Education Agencies	84.010A	171,473
Title II, Improving Teacher Quality	84.367A	36,266
Total United States Department of Education		414,683
Total		$ 914,898

See accompanying notes to the schedule of expenditures of federal awards.

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Santa Fe Trail Unified School District No. 434 (the District) under programs of the federal government for the year ended June 30, 2025. The information in the 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). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statement. 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.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting, as described in Note 1 to the District's financial statement.

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

Santa Fe Trail Unified School District No. 434
Scranton, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statement

Type of report issued on whether the financial statement audited was prepared in accordance with GAAP:	Adverse
Type of auditor's report issued on the basis of accounting used by the District:	Unmodified – Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statement noted:	None

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Any audit findings that are required to be reported in accordance with Section 2 CFR 200.516(a):	None

Identification of major programs:

Assistance Listing Number	Name of Federal Program
10.553, 10.555, 10.556 and 10.559	Child Nutrition Cluster

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

Section II - Financial Statement Findings

No matters reported

Section III – Federal Award Findings and Questioned Costs

No matters reported

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

To the Board of Education
Santa Fe Trail Unified School District No. 434

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Santa Fe Trail Unified School District No. 434 (the District) which comprises the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash for the year ended June 30, 2025, and the related notes to the financial statement and have issued my report thereon dated October 21, 2025. My report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on Internal Control Over Financial Reporting
In planning and performing my audit of the financial statement, I considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no 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 my 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.

Shipley CPA, LLC

Shipley CPA, LLC
Topeka, Kansas
October 21, 2025

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

To the Board of Education
Santa Fe Trail Unified School District No. 434

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited Santa Fe Trail Unified School District No. 434 (the District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

I conducted my 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). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the District and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on my 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 the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, I:

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

I am 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 I identified during the audit.

Report on Internal Control over Compliance

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

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My consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I 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.

My 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 my 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.

Shipley CPA, LLC

Shipley CPA, LLC
Topeka, Kansas
October 21, 2025