HALSTEAD-BENTLEY
UNIFIED SCHOOL DISTRICT NO. 440

HALSTEAD, KANSAS

Financial Statement

For the Year Ended June 30, 2024

Halstead-Bentley
Unified School District No. 440

For the Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Halstead-Bentley Unified School District No. 440
Halstead, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Halstead-Bentley Unified School District No. 440, Halstead, Kansas, (District), as of and for the year ended June 30, 2024, and the related disclosures to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2024 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds, and schedule of regulatory basis receipts, expenditures and unencumbered cash-District activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the 2024 basic financial statement, but are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 information has been subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the 2024 basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated September 27, 2023, which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the 2024 basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated, in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023, on the basis of accounting described in Note 1.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement of the District. 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Knudsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
October 9, 2024

Halstead-Bentley Unified School District No. 440

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended June 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	$ -	-	7,147,608	7,147,608	-	-	-
Supplemental General	43,451	-	2,318,923	2,285,187	77,187	-	77,187
Special Purpose Funds							
At Risk (K-12)	468,390	-	934,057	937,160	465,287	-	465,287
At Risk (4 year old)	-	-	124,957	124,957	-	-	-
Bilingual Education	642	-	4,342	260	4,724	-	4,724
Capital Outlay	2,719,868	-	1,089,293	692,635	3,116,526	58,205	3,174,731
Driver Training	27,280	-	12,880	9,235	30,925	-	30,925
Food Service	153,148	-	483,529	513,825	122,852	-	122,852
Professional Development	54,951	-	3,490	29,294	29,147	-	29,147
Parent Education	-	-	9,900	9,900	-	-	-
Special Education	556,957	-	1,329,698	1,189,783	696,872	-	696,872
Career and Postsecondary Education	-	-	635,056	524,957	110,099	-	110,099
Gifts and Grants	396	-	25,347	23,310	2,433	-	2,433
KPERS Special Retirement Contribution	-	-	732,251	732,251	-	-	-
Contingency Reserve	547,000	-	277,977	-	824,977	-	824,977
Student Material Revolving	111,539	-	32,687	107,112	37,114	-	37,114
After School Program	31,000	-	56,955	59,312	28,643	-	28,643
Little Dragon Preschool	8,877	-	61,225	59,047	11,055	-	11,055
Back to School Backpacks	2,375	-	4,298	3,923	2,750	-	2,750
Federal and State Government Programs							
Improving Basic Programs Operated by Local Educational Agencies (Title I)	-	-	136,956	136,956	-	-	-
Supporting Effective Instruction Program (Title II)	-	-	27,494	27,494	-	-	-
Student Support Academic Enrichment Program (Title IV)	-	-	16,617	16,617	-	-	-
Elementary and Secondary School Emergency Relief					-	-	-
ESSER II	-	-	107,682	107,682			
ARP ESSER III	(3,213)	-	525,135	522,176	(254)	-	(254)
EPA Clean School Bus Program	(1,220,243)	38,297	1,181,946	-	-	-	-
Bond and Interest Fund							
Bond and Interest	1,836,277	-	1,093,275	904,454	2,025,098	-	2,025,098
District Activity Funds							
Activity Gate Receipts	55,662	-	162,174	163,688	54,148	-	54,148
School Projects	17,796	-	44,915	43,451	19,260	-	19,260
Total Reporting Entity							
(Excluding Agency Funds)	$ 5,412,153	38,297	18,688,349	16,479,956	7,658,843	58,205	7,717,048

Composition of Cash	
Checking	
District	$ 7,639,217
Petty Cash	1,500
Debit Card	3,500
Activity Funds	
Elementary School	13,850
Middle School	44,241
High School	95,303
Certificate of Deposit	
Activity Funds - High School	6,521
Total Cash	7,804,132
Less Agency Funds (Schedule 3)	87,084
Total Reporting Entity (excluding Agency Funds)	$ 7,717,048

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Halstead-Bentley Unified School District No. 440, Halstead, Kansas, is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Halstead-Bentley Unified School District No. 440 (District), a municipality.

Regulatory Basis Fund Types

General Fund – used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific 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 report assets held by the District in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Activity Fund – under provisions of K.S.A. 72-1178, the Board of Education adopted a resolution relating to the school activity funds which results in the activity funds being accounted for under policies and procedures of the Board.

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.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Funds, Special Purpose Funds (unless specifically exempted by statute), and the Bond and Interest Fund. 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 fiscal year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. The District did hold a revenue neutral rate hearing 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 of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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 and Activity Funds or the following Special Purpose Funds: Contingency Reserve, Student Material Revolving, After School Program, Little Dragon Preschool, Back to School Backpacks, and Federal and State Government Programs.

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.

Reimbursements

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

One Federal and State Government Program Fund reflects a negative ending unencumbered cash balance for the year ending June 30, 2024, which is allowable under K.S.A. 12-1663. This federal and state grant program will be reimbursed in the following year.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Per K.S.A. 9-1402, the District's financial institution is required to pledge securities for deposits in excess of FDIC coverage. The District's financial institution did not maintain proper records of pledged securities, which resulted in the District's deposits being inadequately secured for approximately twenty-two days during the year ended June 30, 2024.

3. DEPOSITS AND INVESTMENTS

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

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

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 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. All deposits were not legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $7,804,132 and the bank balance was $8,786,645. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by federal depository insurance, $8,359,408 was collateralized with securities held by the pledging financial institution's agents in the District's name, and $177,237 was unsecured.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions /Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2020, Refunding	1.0-3.0%	07/07/20	$ 6,010,000	08/01/27	$ 4,360,000	-	845,000	3,515,000	59,454
Finance Leases									
Energy equipment	3.897%	07/15/11	1,321,062	07/30/25	214,810	-	-	214,810	-
Computer equipment	0.000%	07/01/23	446,120	07/20/26	-	446,120	98,992	347,128	-
					214,810	446,120	98,992	561,938	-
Total contractual indebtedness					$ 4,574,810	446,120	943,992	4,076,938	59,454

4. LONG-TERM DEBT (Continued)

Current maturities of long-term debt and interest for the next four years through maturity are as follows:

	Year ended June 30				
	2025	2026	2027	2028	Total
Principal					
General Obligation Bonds	$ 860,000	870,000	885,000	900,000	3,515,000
Finance Leases	221,062	225,167	115,709	-	561,938
Total principal	1,081,062	1,095,167	1,000,709	900,000	4,076,938
Interest					
General Obligation Bonds	46,583	33,522	20,272	6,795	107,172
Finance Leases	8,371	4,266	-	-	12,637
Total interest	54,954	37,788	20,272	6,795	119,809
Total principal and interest	$ 1,136,016	1,132,955	1,020,981	906,795	4,196,747

5. OPERATING LEASES

The District entered into an operating lease agreement for copiers for a period up to 63 months. Payments totaling $14,854, were made during the year ended June 30, 2024. Under the current lease agreement, the future scheduled minimum payments for the year ended June 30, 2025 are $7,374.

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	At Risk (K-12)	K.S.A. 72-5167	$ 710,794
General	At Risk (4 year old)	K.S.A. 72-5167	77,917
General	Food Service	K.S.A. 72-5167	2,094
General	Parent Education	K.S.A. 72-5167	9,900
General	Special Education	K.S.A. 72-5167	794,153
General	Career and Postsecondary Education	K.S.A. 72-5167	199,014
General	Contingency Reserve	K.S.A. 72-5167	277,977
Supplemental General	At Risk (K-12)	K.S.A. 72-5143	223,263
Supplemental General	At Risk (4 year old)	K.S.A. 72-5143	47,040
Supplemental General	Bilingual Education	K.S.A. 72-5143	4,342
Supplemental General	Special Education	K.S.A. 72-5143	500,000
Supplemental General	Career and Postsecondary Education	K.S.A. 72-5143	420,201

7. OTHER LONG TERM OBLIGATIONS FROM OPERATIONS

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Each retiree pays the full amount of the applicable premium.

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.

7. OTHER LONG TERM OBLIGATIONS FROM OPERATIONS (Continued)

Death and 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.

Compensated Absences

The District's personnel policies grant compensated absences in the form of vacation and sick days for each school year. Classified full-time employees earn ten days of paid vacation upon completion of one year of employment. From two through ten years of service, eleven days of paid vacation is earned. After ten years of service, classified employees earn sixteen days of paid vacation per year. Vacation days are not cumulative. Unused vacation time is paid to employees upon termination. Certified employees earn no vacation.

Current employees who work 30 hours or more per week earn sick days at the rate of one (1) day per month of contract, rounded to the nearest month. All employees who work less than 30 hours per week will received five (5) days of sick leave per year. Employees can accumulate up to ninety (90) days of sick leave. Unused sick leave is not paid to employees upon termination.

The District's liability for compensated absences at June 30, 2024 has not been recorded in this financial statement.

8. 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 Annual Comprehensive Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate 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 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023.

8. DEFINED BENEFIT PENSION PLAN (Continued)

The actuarially determined employer contribution rate and statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

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

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

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off the 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 totalled $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 $732,251 for the year ended June 30, 2024.

Net Pension Liability

At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $6,775,479. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

9. RISK MANAGEMENT

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, not all grant expenditures have been audited, but the District believes that disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

9. RISK MANAGEMENT (Continued)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage during the past fiscal year, and there were no settlements that exceeded insurance coverage for each of the past three years.

During the ordinary course of its operations the District is exposed to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material financial impact on the District.

10. SUBSEQUENT EVENT

In a special election held in May 2024, voters authorized the District to issue general obligation bonds in an amount not to exceed $28,500,000. These funds will be used to pay the costs to construct, furnish and equip additions, improvements and renovations to District facilities.

11. DATE OF MANAGEMENT'S REVIEW

Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments to and/or disclosures within the audited financial statement. Management has performed their analysis through October 9, 2024, which is the date at which the financial statement was available to be issued.

HALSTEAD-BENTLEY
UNIFIED SCHOOL DISTRICT NO. 440

HALSTEAD, KANSAS

REGULATORY – REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2024

Halstead-Bentley Unified School District No. 440

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUNDS						
General	$ 7,542,451	(395,843)	1,000	7,147,608	7,147,608	-
Supplemental General	2,412,288	(127,101)		2,285,187	2,285,187	-
SPECIAL PURPOSE FUNDS						
At Risk (K-12)	1,132,000	-	-	1,132,000	937,160	(194,840)
At Risk (4 year old)	135,000	-	-	135,000	124,957	(10,043)
Bilingual Education	4,742	-	-	4,742	260	(4,482)
Capital Outlay	2,444,081	-	-	2,444,081	692,635	(1,751,446)
Driver Training	51,750	-	-	51,750	9,235	(42,515)
Food Service	594,162	-	-	594,162	513,825	(80,337)
Professional Development	108,904	-	-	108,904	29,294	(79,610)
Parent Education	11,000	-	-	11,000	9,900	(1,100)
Special Education	1,424,200	-	-	1,424,200	1,189,783	(234,417)
Career and Postsecondary Education	539,964	-	-	539,964	524,957	(15,007)
Gifts and Grants	23,310	-	-	23,310	23,310	-
KPER Special Retirement Contribution	770,367	-	-	770,367	732,251	(38,116)
BOND AND INTEREST FUND	904,454	-	-	904,454	904,454	-

SCHEDULE 2

Halstead-Bentley Unified School District No. 440

General Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
GENERAL	Prior Year Actual	Actual	Budget	Variance Over (Under)
RECEIPTS				
General state aid	$ 6,236,729	6,490,440	6,656,324	(165,884)
Special education state aid	773,308	656,168	886,127	(229,959)
Reimbursements and other	3,828	1,000	-	1,000
Mineral tax	47	-	-	-
Total receipts	7,013,912	7,147,608	7,542,451	(394,843)
EXPENDITURES				
Instruction	2,734,746	2,715,934	2,918,842	(202,908)
Student support services	130,464	104,610	121,493	(16,883)
Instructional support services	163,156	161,648	184,680	(23,032)
General administration	182,110	201,717	188,109	13,608
School administration	568,701	585,546	592,950	(7,404)
Operations and maintenance	874,547	810,065	970,500	(160,435)
Student transportation services	373,640	297,554	335,350	(37,796)
Other support services	170,588	198,685	187,400	11,285
Transfer to				
At Risk (K-12)	703,639	710,794	800,000	(89,206)
At Risk (4 Year Old)	65,825	77,917	85,000	(7,083)
Driver Training	-	-	20,000	(20,000)
Food Service	-	2,094	-	2,094
Professional Development	9,888	-	21,000	(21,000)
Parent Education	9,000	9,900	11,000	(1,100)
Special Education	861,795	794,153	886,127	(91,974)
Career and Postsecondary Education	165,813	199,014	200,000	(986)
Contingency Reserve	-	277,977	-	277,977
Student Material Revolving	-	-	20,000	(20,000)
	7,013,912	7,147,608	7,542,451	(394,843)
Adjustment to comply with legal max	-	-	(395,843)	395,843
Legal General Fund budget	7,013,912	7,147,608	7,146,608	1,000
Adjustment for qualifying budget credits	-	-	1,000	(1,000)
Total expenditures	7,013,912	7,147,608	7,147,608	-
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	$ -	-		

Halstead-Bentley Unified School District No. 440

General Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
SUPPLEMENTAL GENERAL	Prior Year Actual	Actual	Budget	Variance Over (Under)
RECEIPTS				
Tax in process	$ 18,045	12,989	47,183	(34,194)
Current tax	819,926	913,622	952,983	(39,361)
Delinquent tax	12,989	9,980	4,311	5,669
Vehicle tax	102,746	101,256	105,461	(4,205)
Mineral tax	1,339	-	-	-
State aid	1,187,317	1,281,076	1,352,329	(71,253)
Total receipts	2,142,362	2,318,923	2,462,267	(143,344)
EXPENDITURES				
Instruction	173,193	192,827	100,000	92,827
Student support services	179,033	165,038	275,000	(109,962)
Instructional support staff	1,761	12,250	3,850	8,400
General administration	1,226	20,281	61	20,220
School administration	25,750	46,847	-	46,847
Operations and maintenance	661,946	571,707	809,223	(237,516)
Architectural and engineering	-	2,000	-	2,000
Student transportation services	-	-	80,000	(80,000)
Other supplemental services	101,313	79,391	-	79,391
Transfer to				
At Risk (K-12)	209,413	223,263	247,054	(23,791)
At Risk (4 year old)	6,890	47,040	50,000	(2,960)
Bilingual Education	3,842	4,342	4,100	242
Food Service	150	-	-	-
Professional Development	45,524	-	48,000	(48,000)
Special Education	423,960	500,000	470,000	30,000
Career and Postsecondary Education	300,693	420,201	325,000	95,201
	2,134,694	2,285,187	2,412,288	(127,101)
Adjustment to comply with legal max	-	-	(127,101)	127,101
Total expenditures	2,134,694	2,285,187	2,285,187	-
Receipts over (under) expenditures	7,668	33,736		
UNENCUMBERED CASH, beginning	35,783	43,451		
UNENCUMBERED CASH, ending	$ 43,451	77,187		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
AT RISK (K-12)				
RECEIPTS				
Transfer from				
General	$ 703,639	710,794	800,000	(89,206)
Supplemental General	209,413	223,263	247,054	(23,791)
Total receipts	913,052	934,057	1,047,054	(112,997)
EXPENDITURES				
Instruction	648,561	790,846	965,000	(174,154)
Student support services	140,533	132,326	167,000	(34,674)
Instruction support staff	-	13,988	-	13,988
Total expenditures	789,094	937,160	1,132,000	(194,840)
Receipts over (under) expenditures	123,958	(3,103)		
UNENCUMBERED CASH, beginning	344,432	468,390		
UNENCUMBERED CASH, ending	$ 468,390	465,287		
AT RISK (4 YEAR OLD)				
RECEIPTS				
Transfer from				
General	$ 65,825	77,917	85,000	(7,083)
Supplemental General	6,890	47,040	50,000	(2,960)
Total receipts	72,715	124,957	135,000	(10,043)
EXPENDITURES				
Salaries and benefits	72,715	124,957	135,000	(10,043)
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	$ -	-		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
BILINGUAL EDUCATION				
RECEIPTS				
Transfer from Supplemental General	$ 3,842	4,342	4,100	242
EXPENDITURES				
Instruction	3,200	260	4,742	(4,482)
Receipts over (under) expenditures	642	4,082		
UNENCUMBERED CASH, beginning	-	642		
UNENCUMBERED CASH, ending	$ 642	4,724		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
CAPITAL OUTLAY				
RECEIPTS				
Tax in process	$ 8,314	5,216	308,847	(303,631)
Current tax	330,152	302,246	-	302,246
Delinquent tax	5,855	4,255	1,736	2,519
Vehicle tax	42,263	44,615	46,747	(2,132)
Mineral tax	544	-	-	-
Interest	254,261	398,782	-	398,782
Grants and other	70,070	151,447	-	151,447
State aid	183,618	182,732	182,774	(42)
Total receipts	895,077	1,089,293	540,104	549,189
EXPENDITURES				
Instruction	42,358	14,696	50,000	(35,304)
School administration	10,663	8,316	-	8,316
Student transportation	4,000	2,156	73,000	(70,844)
Operations and maintenance	1,910	667,467	271,081	396,386
Site improvement	-	-	2,050,000	(2,050,000)
Total expenditures	58,931	692,635	2,444,081	(1,751,446)
Receipts over (under) expenditures	836,146	396,658		
UNENCUMBERED CASH, beginning	1,883,722	2,719,868		
UNENCUMBERED CASH, ending	$ 2,719,868	3,116,526		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
DRIVER TRAINING				
RECEIPTS				
State aid	$ 4,200	4,930	-	4,930
Other	5,525	7,950	5,400	2,550
Transfer from General	-	-	20,000	(20,000)
Total receipts	9,725	12,880	25,400	(12,520)
EXPENDITURES				
Salaries and benefits	7,555	9,235	15,750	(6,515)
Equipment and furnishings	-	-	36,000	(36,000)
Total expenditures	7,555	9,235	51,750	(42,515)
Receipts over (under) expenditures	2,170	3,645		
UNENCUMBERED CASH, beginning	25,110	27,280		
UNENCUMBERED CASH, ending	$ 27,280	30,925		
FOOD SERVICE				
RECEIPTS				
Lunch and breakfast sales	$ 130,882	143,032	122,446	20,586
Federal aid	350,115	333,270	319,741	13,529
State aid	3,664	3,675	2,828	847
Other	961	1,458	-	1,458
Transfer from General	-	2,094	-	2,094
Supplemental General	150	-	-	-
Total receipts	485,772	483,529	445,015	38,514
EXPENDITURES				
Salaries and benefits	248,767	239,678	290,162	(50,484)
Food and supplies	265,755	267,032	275,000	(7,968)
Equipment	52,478	7,115	29,000	(21,885)
Total expenditures	567,000	513,825	594,162	(80,337)
Receipts over (under) expenditures	(81,228)	(30,296)		
UNENCUMBERED CASH, beginning	234,376	153,148		
UNENCUMBERED CASH, ending	$ 153,148	122,852		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
PROFESSIONAL DEVELOPMENT				
RECEIPTS				
Professional Development	$ 3,755	-	-	-
State Aid	3,371	3,490	-	3,490
Transfer from				
General	9,888	-	21,000	(21,000)
Supplemental General	45,524	-	48,000	(48,000)
Total receipts	62,538	3,490	69,000	(65,510)
EXPENDITURES				
Salaries and benefits	4,832	9,550	24,000	(14,450)
Purchased services and other	24,065	19,744	84,904	(65,160)
Total expenditures	28,897	29,294	108,904	(79,610)
Receipts over (under) expenditures	33,641	(25,804)		
UNENCUMBERED CASH, beginning	21,310	54,951		
UNENCUMBERED CASH, ending	$ 54,951	29,147		
PARENT EDUCATION				
RECEIPTS				
Transfer from General	$ 9,000	9,900	11,000	(1,100)
EXPENDITURES				
Purchased services and other	9,000	9,900	11,000	(1,100)
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	$ -	-		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
SPECIAL EDUCATION				
RECEIPTS				
Other	$ 42,547	35,545	-	35,545
Transfer from				
General	861,795	794,153	886,127	(91,974)
Supplemental General	423,960	500,000	470,000	30,000
Total receipts	1,328,302	1,329,698	1,356,127	(26,429)
EXPENDITURES				
Salaries and benefits	88,609	80,030	121,200	(41,170)
Purchased services	-	3,097	-	3,097
Supplies and other	9,216	10,074	18,000	(7,926)
Tuition	1,193,578	1,096,582	1,285,000	(188,418)
Total expenditures	1,291,403	1,189,783	1,424,200	(234,417)
Receipts over (under) expenditures	36,899	139,915		
UNENCUMBERED CASH, beginning	520,058	556,957		
UNENCUMBERED CASH, ending	$ 556,957	696,872		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
CAREER AND POSTSECONDARY EDUCATION				
RECEIPTS				
Federal aid	$ 3,982	2,000	-	2,000
CTE transportation state aid	9,141	10,099	14,964	(4,865)
Other	5,533	3,742	-	3,742
Transfer from				
General	165,813	199,014	200,000	(986)
Supplemental General	300,693	420,201	325,000	95,201
Total receipts	485,162	635,056	539,964	95,092
EXPENDITURES				
Salaries and benefits	471,203	503,767	529,464	(25,697)
Tuition and other	13,959	21,190	10,500	10,690
Total expenditures	485,162	524,957	539,964	(15,007)
Receipts over (under) expenditures	-	110,099		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	$ -	110,099		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
GIFTS AND GRANTS				
RECEIPTS				
Pre-K Pilot Grant (CIF)	$ 14,631	11,655	11,655	-
Pre-K Pilot Grant (TANF)	6,091	11,655	11,655	-
KPP GEER	45,000	-	-	-
Contributions and other	186	2,037	-	2,037
Total receipts	65,908	25,347	23,310	2,037
EXPENDITURES				
Instruction	45,000	23,310	23,310	-
Instruction support staff	14,631	-	-	-
Total expenditures	59,631	23,310	23,310	-
Receipts over (under) expenditures	6,277	2,037		
UNENCUMBERED CASH, beginning	(5,881)	396		
UNENCUMBERED CASH, ending	$ 396	2,433		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
KPERS SPECIAL RETIREMENT CONTRIBUTION				
RECEIPTS				
State aid	$ 726,761	732,251	770,367	(38,116)
EXPENDITURES				
Instruction	452,306	599,136	475,000	124,136
Employee Benefits	26,994	5,747	29,000	(23,253)
Instructional support	27,254	15,775	30,000	(14,225)
General administration	25,705	16,893	29,000	(12,107)
School administration	66,778	43,080	70,000	(26,920)
Central services	21,532	4,644	23,000	(18,356)
Operations & maintenance	63,911	34,096	68,000	(33,904)
Student transportation services	19,555	12,880	22,000	(9,120)
Food service	22,726	-	24,367	(24,367)
Total expenditures	726,761	732,251	770,367	(38,116)
Receipts over (under) expenditures	-	-		
UNENCUMBERED CASH, beginning	-	-		
UNENCUMBERED CASH, ending	$ -	-		

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023	2024
CONTINGENCY RESERVE		
RECEIPTS		
Transfer from General	$ -	277,977
EXPENDITURES		
Transfer to General	-	-
Receipts over (under) expenditures	-	277,977
UNENCUMBERED CASH, beginning	547,000	547,000
UNENCUMBERED CASH, ending	$ 547,000	824,977
STUDENT HEALTH INITIATIVE		
RECEIPTS	$ -	-
EXPENDITURES		
Other	4,314	-
Receipts over (under) expenditures	(4,314)	-
UNENCUMBERED CASH, beginning	4,314	-
UNENCUMBERED CASH, ending	$ -	-
STUDENT MATERIAL REVOLVING		
RECEIPTS		
Fees	$ 43,987	32,687
EXPENDITURES		
Textbooks	25,021	99,373
Other	7,913	7,739
Materials and supplies	716	-
Total expenditures	33,650	107,112
Receipts over (under) expenditures	10,337	(74,425)
UNENCUMBERED CASH, beginning	101,202	111,539
UNENCUMBERED CASH, ending	$ 111,539	37,114

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023	2024
AFTER SCHOOL PROGRAM		
RECEIPTS		
Other	$ 68,441	56,955
EXPENDITURES		
Salaries and benefits	59,690	59,312
Receipts over (under) expenditures	8,751	(2,357)
UNENCUMBERED CASH, beginning	22,249	31,000
UNENCUMBERED CASH, ending	$ 31,000	28,643
LITTLE DRAGON PRESCHOOL		
RECEIPTS		
Tuition	$ 51,327	61,225
EXPENDITURES		
Salaries and benefits	71,307	58,690
Other	2,948	357
Total expenditures	74,255	59,047
Receipts over (under) expenditures	(22,928)	2,178
UNENCUMBERED CASH, beginning	31,805	8,877
UNENCUMBERED CASH, ending	$ 8,877	11,055
BACK TO SCHOOL BACKPACKS		
RECEIPTS		
Donations	$ 3,393	4,298
EXPENDITURES		
Supplies and other	3,804	3,923
Receipts over (under) expenditures	(411)	375
UNENCUMBERED CASH, beginning	2,786	2,375
UNENCUMBERED CASH, ending	$ 2,375	2,750

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023	2024
FEDERAL AND STATE GOVERNMENT PROGRAMS IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES (TITLE I)		
RECEIPTS		
Federal aid	$ 125,140	136,956
EXPENDITURES		
Salaries and benefits	116,508	135,721
Supplies and other	8,632	1,235
Total expenditures	125,140	136,956
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	$ -	-
SUPPORTING EFFECTIVE INSTRUCTION PROGRAM (TITLE II)		
RECEIPTS		
Federal aid	$ 24,994	27,494
EXPENDITURES		
Salaries and benefits	10,000	17,237
Supplies and other	14,994	10,257
Total expenditures	24,994	27,494
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	$ -	-

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023	2024
FEDERAL AND STATE GOVERNMENT PROGRAMS		
NO CHILD LEFT BEHIND ACT		
PROGRAM (TITLE III)		
RECEIPTS		
Federal aid	$ 1,800	-
EXPENDITURES		
Supplies and other	1,800	-
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	$ -	-
STUDENT SUPPORT ACADEMIC ENRICHMENT		
PROGRAM (TITLE IV)		
RECEIPTS		
Federal aid	$ 16,121	16,617
EXPENDITURES		
Salaries and benefits	6,000	6,000
Supplies and other	10,121	10,617
Total expenditures	16,121	16,617
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	$ -	-

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023	2024
FEDERAL AND STATE GOVERNMENT PROGRAMS		
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF (ESSER II)		
RECEIPTS		
Federal aid	$ 169,517	107,682
EXPENDITURES		
Salaries and benefits	152,799	13,659
Supplies and other	16,718	94,023
Total expenditures	169,517	107,682
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	$ -	-
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF (ARP ESSER III)		
RECEIPTS		
Federal aid	$ 159,433	525,135
EXPENDITURES		
Salaries and benefits	159,433	501,273
Instruction support services		
Operation and maintenance		
Supplies and other	3,213	20,903
Total expenditures	162,646	522,176
Receipts over (under) expenditures	(3,213)	2,959
UNENCUMBERED CASH, beginning	-	(3,213)
UNENCUMBERED CASH, ending	$ (3,213)	(254)

Halstead-Bentley Unified School District No. 440

Special Purpose Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

	2023	2024
FEDERAL AND STATE GOVERNMENT PROGRAMS		
KDHE COVID TESTING GRANT		
RECEIPTS		
Federal and state grants	$ 204,519	-
EXPENDITURES		
Supplies and other	608	-
Equipment and maintenance	203,911	-
Total expenditures	204,519	-
Receipts over (under) expenditures	-	-
UNENCUMBERED CASH, beginning	-	-
UNENCUMBERED CASH, ending	$ -	-
EPA CLEAN SCHOOL BUS PROGRAM		
RECEIPTS		
Federal aid	$ -	1,181,946
EXPENDITURES		
Vehicle services	1,220,243	-
Receipts over (under) expenditures	(1,220,243)	1,181,946
UNENCUMBERED CASH, beginning	-	(1,220,243)
Prior Year Encumbrance	-	38,297
UNENCUMBERED CASH, ending	$ (1,220,243)	-

Halstead-Bentley Unified School District No. 440

Bond and Interest Funds

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2024
(With Comparative Actual Totals for the Prior Year Ended June 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
BOND AND INTEREST				
RECEIPTS				
Tax in process	$ 10,958	7,415	27,011	(19,596)
Current tax	468,200	495,158	475,151	20,007
Delinquent tax	8,281	5,785	2,463	3,322
Vehicle tax	62,496	60,333	63,024	(2,691)
Mineral tax	765	-	-	-
State aid	480,784	524,584	524,583	1
Total receipts	1,031,484	1,093,275	1,092,232	1,043
EXPENDITURES				
Principal	835,000	845,000	845,000	-
Interest	72,140	59,454	59,454	-
Total expenditures	907,140	904,454	904,454	-
Receipts over (under) expenditures	124,344	188,821		
UNENCUMBERED CASH, beginning	1,711,933	1,836,277		
UNENCUMBERED CASH, ending	$ 1,836,277	2,025,098		

Halstead-Bentley Unified School District No. 440

Agency Funds

SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis

For the Year Ended June 30, 2024

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
STUDENT ORGANIZATIONS				
High School				
Art	$ 1,592	-	-	1,592
Cheer	5,089	5,189	6,197	4,081
Chemistry	357	-	357	-
Class of 2023	9	-	9	-
Class of 2024	2,066	-	1,439	627
Class of 2025	45	5,421	4,163	1,303
Class of 2026	-	858	99	759
Class of 2027	-	50	-	50
Color Guard	7	-	-	7
Dance	4,451	9,924	8,141	6,234
Dragon Corps	280	-	280	-
Dragon Woods	2,467	676	-	3,143
Drivers Education	-	7,800	7,800	-
Embroidery	110	-	110	-
Enrollment	350	3,588	3,938	-
FACS Revolving	(14)	14	-	-
Faculty	126	470	393	203
FBLA	-	19,204	9,602	9,602
FCA	838	157	-	995
In & Out	29	3,551	3,552	28
Instrument Supplies	-	40	40	-
Kay	2,614	5,958	5,388	3,184
Library	988	28	-	1,016
Marching	25	166	40	151
National Honor Society	32	-	26	6
Nutrition & Wellness	52	-	52	-
Petty Cash	-	1,854	1,852	2
Printshop	2,721	288	433	2,576
Scholarships	220	542	285	477
Spanish	666	-	-	666
Stand	170	-	-	170
Stuco	5,393	9,149	7,182	7,360
Stuco CD	1,449	-	-	1,449

Halstead-Bentley Unified School District No. 440

Agency Funds

SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis

For the Year Ended June 30, 2024

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
STUDENT ORGANIZATIONS (Continued)				
Student Support	$ 1,293	854	680	1,467
The Lair	5,418	-	-	5,418
Vocal/Tri-M	3,485	9,365	4,953	7,897
Wood	-	2,705	-	2,705
Total High School	42,328	87,851	67,011	63,168
Middle School	9,018	6,290	5,066	10,242
Grade School	13,387	668	983	13,072
Total Student Organizations	64,733	94,809	73,060	86,482
SALES TAX	-	19,033	18,431	602
Total Agency Funds	$ 64,733	113,842	91,491	87,084

Halstead-Bentley Unified School District No. 440

District Activity Funds

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis

For the Year Ended June 30, 2024

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
ACTIVITY GATE RECEIPTS						
High School						
Athletics	$ 29,914	125,172	128,148	26,938	-	26,938
Concessions	5,347	14,542	15,228	4,661	-	4,661
Musicals	5,779	4,757	5,579	4,957	-	4,957
Middle School						
Athletics	12,089	8,248	6,093	14,244	-	14,244
Concessions	2,533	9,455	8,640	3,348	-	3,348
Total Activity Gate Receipts	$ 55,662	162,174	163,688	54,148	-	54,148
SCHOOL PROJECTS						
High School	$ 484	15,068	13,477	2,075	-	2,075
Middle School	16,552	29,458	29,603	16,407	-	16,407
Elementary School	760	389	371	778	-	778
Total School Projects	$ 17,796	44,915	43,451	19,260	-	19,260

UNIFIED SCHOOL DISTRICT NO. 440

OTHER SUPPLEMENTARY INFORMATION

SINGLE AUDIT SECTION

FOR THE YEAR ENDED JUNE 30, 2024

Knudsen Monroe & Company LLC

512 N. Main St, Newton, Kansas 67114-2229 316 283-5366 • 316 283-8379 Fax

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

Board of Education
Halstead-Bentley Unified School District No. 440
Halstead, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (financial statement) of Halstead-Bentley Unified School District No. 440, Halstead, Kansas (District), as of and for the year ended June 30, 2024, and the related disclosures to the financial statement, and have issued our report thereon dated October 9, 2024. Our 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 our audit of the financial statement, we 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 our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Knudsen, Monroe & Company, LLC.

Certified Public Accountants
Newton, Kansas
October 9, 2024

Knudsen Monroe & Company LLC

512 N. Main St, Newton, Kansas 67114-2229 316 283-5366 • 316 283-8379 Fax

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

Board of Education
Halstead-Bentley Unified School District No. 440
Halstead, Kansas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Halstead-Bentley Unified School District No. 440, Halstead, Kansas' (District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kansas Municipal Audit and Accounting Guide*, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Knudsen, Monroe & Company, LLC

Certified Public Accountants
Newton, Kansas
October 9, 2024

Halstead-Bentley Unified School District No. 440

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Local Food For School Cooperative	10.185	D0440	$ 5,810
Child Nutrition Cluster			
School Breakfast Program	10.553	D0440	77,724
National School Lunch Program	10.555	D0440	184,802
National School Lunch Program Supply Chain Assistance	10.555	D0440	22,289
Summer Food Service Program for Children	10.559	D0440	42,645
Total Child Nutrition Cluster			327,460
Total U.S. Department of Agriculture			**333,270**
U.S. Department of Education			
Passed through Kansas Department of Education			
Career and Technical Education - Basic Grants to States	84.048	D0440	2,000
Title I Grants to Local Educational Agencies	84.010	D0440	136,956
Supporting Effective Instruction State Grants	84.367	D0440	27,494
Student Support and Academic Enrichment Program	84.424	D0440	16,617
COVID-19 Elementary and Secondary School Emergency			
Relief Fund - ESSER II	84.425U	D0440	107,682
Relief Fund - ARP ESSER	84.425U	D0440	522,176
Total COVID-19 ESSER			629,858
Total U.S. Department of Education			**812,925**
U.S. Department of Health and Human Services			
Passed through Kansas Department of Education			
Temporary Assistance for Needy Families	93.558	D0440	11,655
Total U.S. Department of Health and Human Services			**11,655**
Total Expenditures of Federal Awards			**$ 1,157,850**

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Halstead-Bentley Unified School District No. 440

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Halstead-Bentley Unified School District No. 440, Halstead, Kansas (District) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District. 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.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

C. INDIRECT COST RATE

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

Halstead-Bentley Unified School District No. 440

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse - GAAP	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X No
Noncompliance material to financial statement noted?	____ Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes	X No
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 program:

Assistance Listing Number	Name of Federal Program or Cluster
84.425U	COVID-19 Elementary and Secondary School Emergency Relief Fund - ESSER

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

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs

There were no reportable findings.