HAYS RECREATION COMMISSION

HAYS, KANSAS

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

HAYS RECREATION COMMISSION
HAYS, KANSAS

For the Year Ended December 31, 2025
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Independent Auditors' Report

To the Commissioners and Management of
Hays Recreation Commission
Hays, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Hays Recreation Commission, Kansas, as of and for the year ended December 31, 2025, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Hays Recreation Commission as of December 31, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Hays Recreation Commission as of December 31, 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* described in Note A.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Commission, 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 A of the financial statement, the financial statement is prepared by the Commission 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 A 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 A; 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 Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 judgement made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

accompanying supplemental 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 A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Hays Recreation Commission, Kansas, as of and for the year ended December 31, 2024 (not presented herein), and have issued our report thereon dated July 15, 2025, which contained an unmodified opinion on the basis financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audit. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2025 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information 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 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement 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 2024 comparative information is fairly stated in all material respects in relation to the 2024 basic financial statement as a whole for the year ended December 31, 2024, on the basis of accounting described in Note A.

Gudenkauf + Malone, Inc

Gudenkauf & Malone, Inc.
July 8, 2026

HAYS RECREATION COMMISSION
HAYS, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended December 31, 2025

Statement 1

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	$ 2,873,087	$ 2,653,256	$ 2,122,251	$ 3,404,092	$ 70,374	$ 3,474,466
Special Purpose Fund Employee Benefit	788,742	181,083	284,025	685,800	-	685,800
Total Reporting Entity	$ 3,661,829	$ 2,834,339	$ 2,406,276	$ 4,089,892	$ 70,374	$ 4,160,266

Composition of Cash:	
Golden Belt Bank	
Checking Accounts	$ 32,769
Money Market Account	437,759
Certificate of Deposit	755,730
Bank of Hays	
Certificate of Deposit	229,633
First Kansas Bank	
Certificates of Deposit	2,703,775
Cash on Hand	600
Total Reporting Entity	$ 4,160,266

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

HAYS RECREATION COMMISSION
Hays, Kansas

Notes to Financial Statement

Year Ended December 31, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

The Hays Recreation Commission (the municipality) is a municipal corporation governed by a five-member board. Two Commissioners are appointed by the City of Hays, two Commissioners are appointed by Unified School District No. 489, and one Commissioner is elected by the four appointed Commissioners. The regulatory financial statement presents the Hays Recreation Commission and does not include the following Related Municipal Entity:

Hays Recreation Commission Foundation

Related Municipal Entity

The Hays Recreation Commission has omitted the financial data of the Hays Recreation Commission Foundation, which is a related municipal entity. The financial data of the Foundation has not been audited. The Hays Recreation Commission Foundation was organized to support and advance the charitable, scientific, and educational endeavors of the Hays Recreation Commission by receiving gifts, donations, conveyances, deeds, bequests, and devises of money and property.

Regulatory Basis Fund Types

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

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

Basis of Accounting

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 Commission 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 Commission to use the regulatory basis of accounting.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Prior to the certification of its budget to Unified School District No. 489, the recreation commission shall meet for the purpose of answering and hearing objections of taxpayers relating to the proposed budget and for the purpose of considering amendments to such proposed budget.
2. The recreation commission shall give at least 10 days notice of the time and place of the meeting by publication in a local newspaper having a general circulation in the taxing district.
3. The public hearing required to be held herein shall be held not less than 10 days prior to the date on which the recreation commission is required to certify its budget to the United School District No. 489.
4. Certify its budget to the school district not later than August 1st.

If the Commission is holding a revenue neutral rate hearing, the public hearing shall be 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 municipality 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 Commission for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and some special purpose funds.

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

Reimbursements

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Tax

Property taxes are collected and remitted to entities by the County Treasurer. Unified School District No. 489 remits the Commission's portion of property taxes to the Commission. Taxes levied annually on November 1st are due one-half December 20th and one-half by May 10th. Tax payments are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

The Hays Recreation Commission is not aware of any non-compliance with Kansas statutes.

NOTE C – DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the Commission. The statute requires banks eligible to hold the Commission's funds have a main or branch bank in the county in which the Commission 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 Commission has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Commission'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 Commission has no investment policy that would further limit its investments choices.

Concentration of credit risk. State statutes place no limit on the amount the Commission 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 Commission's deposits may not be returned to it. State statutes require the Commission'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 Commission had no designated "peak periods." All deposits were legally secured at December 31, 2025.

At December 31, 2025 the Commission's carrying amount of deposits was $4,160,266 and the bank balance was $4,169,006. The difference between the carrying amount and the bank balance is outstanding checks, deposits in transit and $600 cash on hand. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $729,633 was covered by federal depository insurance, $3,439,373 was collateralized with securities held by the pledging financial institutions' agents in the Commission's name.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statues require investments to be adequately secured.

NOTE D – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits

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

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 December 31, 2025.

Compensated Absences

All full-time employees are eligible to accumulate up to 96 hours of vacation per year. An employee terminating employment with the Commission prior to the first anniversary date of employment shall not be paid for accumulated vacation leave. After one year of service, if any employee terminates his employment in good standing or in the event of death, he or his heirs shall be entitled to a lump sum payment for all vacation earned in the current and previous calendar years on the basis of the employee's current salary.

Additional vacation time is accumulated at various anniversaries, beginning after 3 years of service. Total accrued vacation at December 31, 2025 was $21,744.

Any employee hired on or after March 1, 2003 may accrue a maximum of 480 hours of sick leave. Any employee hired prior to March 1, 2003 who has accumulated more than 480 hours will not accrue any additional sick leave. However, if such an employee uses sick time to the extent that they fall below 480 hours of accrued sick time, that the employee will again begin accumulating sick leave subject to the maximum of 480 hours. If an employee resigns in good standing or upon death, he or his beneficiary will be paid for any unused sick leave at the following rate:

Years of Service	Rate
0-4	10%
5-9	15%
10-14	20%
15 or more	25%
Retirement	30%

Total accrued sick leave at December 31, 2025 was $26,942.

Operating Lease - Gymnasium Rental

The Commission entered into a 5-year rental lease with USD No. 489 for gymnasium rental on April 3, 2006. Terms of the lease are $1,000 annual rent. The lease will renew every five years. Payments are to be made annually as billed by USD No. 489.

NOTE D – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS / COMMITMENTS - CONTINUED

In 2013, the Commission agreed to allow USD No. 489 to utilize Commission facilities in lieu of paying the remaining scheduled $1,000 payments of the operating lease. The agreement between USD No. 489 and Hays Recreation Commission to use facilities in lieu of rent payments has continued.

Operating Lease - Pool Service Agreement

The Hays Recreation Commission has a pool service agreement with the City of Hays, Kansas. The City of Hays owns and maintains Wilson Pool and the Hays Aquatic Park.

The Hays Recreation Commission entered into a pool service agreement on September 14, 2006, with the City of Hays. The agreement states that the recreation Commission will run and maintain the Wilson Pool and Hays Aquatic Park. The Commission will be responsible to pay for any repair under $1,000. After financial reports are compiled according to terms of the agreement, any operating loss or surplus incurred by the Commission will be shared on a 50% City – 50% Commission basis as long as the Hays Recreation Commission's portion of the loss does not exceed $40,000. The agreement is for a five-year period beginning January 1, 2007 through December 31, 2011. The agreement automatically renewed on January 1, 2017, for a period of 5 years. The agreement was automatically renewed on January 1, 2022, for a period of 5 years

Operating Lease - Recreation Facilities Agreement

On September 14, 2006, the Hays Recreation Commission entered into a recreation facilities agreement with the City of Hays. The agreement states that the Hays Recreation Commission has exclusive rights to schedule and use all recreation facilities. The City of Hays will provide maintenance, repairs and utilities for all facilities.

The Hays Recreation Commission agrees to pay $35,000 a year to offset expenses. The agreement was for a five-year period beginning January 1, 2007 and ending December 31, 2011.

The agreement automatically renewed on January 1, 2017, for a period of 5 years. The agreement was automatically renewed on January 1, 2022, for a period of 5 years.

Capital Lease - Fitness Center

The Hays Recreation Commission entered into a base lease and a separate lease agreement in February 2016 for the acquisition, construction, and installation for a new fitness center. The base lease commenced on March 1, 2016, and had an ending date of January 1, 2026. In 2018, the entire balance was paid off.

NOTE E – DEFINED BENEFIT PENSION PLAN

Plan Description – The Hays Recreation Commission participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined 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 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

NOTE E – DEFINED BENEFIT PENSION PLAN – CONTINUED

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 establishes the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for the fiscal year ended December 31, 2025. Contributions to the pension plan from the Hays Recreation Commission were $59,126 for the year ended December 31, 2025.

Net Pension Liability

At December 31, 2025, the Hays Recreation Commission's proportionate share of the collective net pension liability reported by KPERS was $493,045. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The Commission's proportion of the net pension liability was based on the ratio of the Commission's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. 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.kspers.org or can be obtained as described above.

NOTE F – CLAIMS AND JUDGMENTS

Risk Management

The Commission 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 Commission has purchased commercial insurance for these potential risks. There were no settlements that exceeded insurance coverage in the past three years.

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

NOTE G – RELATED PARTY TRANSACTIONS

In a governmental entity, related parties include members of the governing body, board members, administrative officials, and immediate families of administrative officials, board members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowances and similar items incurred in the ordinary course of operations. The following are not required to be reported but are presented for information only.

	2025
City of Hays Alissa Disney, commissioner	$44,305
Eagle Radio - Advertising Dustin Armbruster, commissioner	22,919

NOTE H – NEW BUILDING PROJECT

In April 2025, the Commission approved a donation of $272,548 to the Hays Recreation Commission Foundation to assist with the purchase of land for a proposed recreation facility. In June 2025, the Commission approved a contract with Schaefer Architects to provide preliminary design services for the proposed building project. The Hays Recreation Commission Foundation is serving as the project manager at risk for the development of the facility. As of year-end, the project remained in the planning and development stage.

NOTE I – SUBSEQUENT EVENTS

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

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION

HAYS RECREATION COMMISSION
HAYS, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
(Budgeted Funds Only)
For the Year Ended December 31, 2025

Schedule 1

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	$ 3,726,351	$ -	$ 3,726,351	$ 2,122,251	$ (1,604,100)
Special Purpose Fund Employee Benefit	360,000	-	360,000	284,025	(75,975)
	$ 4,086,351	$ -	$ 4,086,351	$ 2,406,276	$ (1,680,075)

HAYS RECREATION COMMISSION
HAYS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

GENERAL FUND

Schedule 2-1

		2025		
	2024 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Administration	$ 1,558,462	$ 1,628,247	$ 1,469,072	$ 159,175
Facilities	13,093	13,309	13,000	309
Sports Complex	276,461	243,684	205,500	38,184
Aquatics	273,289	285,570	290,450	(4,880)
Wellness Programs	201,256	204,392	174,800	29,592
Adult & Youth Programs	116,289	110,266	98,600	11,666
Adult & Youth Sports	166,596	167,788	156,400	11,388
Total Receipts	2,605,446	2,653,256	2,407,822	245,434
Expenditures				
Administration	759,241	808,762	839,825	(31,063)
Facilities	113,134	120,452	148,000	(27,548)
Sports Complex	204,485	186,661	227,050	(40,389)
Aquatics	254,397	263,651	333,900	(70,249)
Wellness Programs	118,613	139,941	188,350	(48,409)
Adult & Youth Programs	81,586	77,544	98,600	(21,056)
Adult & Youth Sports	121,620	122,028	156,400	(34,372)
Capital Improvement	56,778	76,616	508,000	(431,384)
Contingency Reserve Fund	50,353	326,596	1,226,226	(899,630)
Total Expenditures	1,760,207	2,122,251	$ 3,726,351	$ (1,604,100)
Receipts Over (Under) Expenditures	845,239	531,005		
Unencumbered Cash, Beginning	2,027,848	2,873,087		
Unencumbered Cash, Ending	$ 2,873,087	$ 3,404,092		

HAYS RECREATION COMMISSION
HAYS, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended December 31, 2025
(With Comparative Actual Totals for the Prior Year Ended December 31, 2024)

EMPLOYEE BENEFIT FUND

Schedule 2-2

		2025		
	2024 Actual	Actual	Budget	Variance Over (Under)
Receipts				
Appropriations	$ 171,003	$ 181,083	$ 185,095	$ (4,012)
Total Receipts	171,003	181,083	185,095	(4,012)
Expenditures				
Health Insurance	82,373	84,148	94,000	(9,852)
Employer KPERS	59,235	65,215	60,000	5,215
Employer Payroll Taxes	81,724	85,180	145,500	(60,320)
Workmen's Compensation	1,255	-	1,500	(1,500)
Liability Insurance	43,811	44,596	53,000	(8,404)
Disability Insurance	6,023	4,886	6,000	(1,114)
Total Expenditures	274,421	284,025	$ 360,000	$ (75,975)
Receipts Over (Under) Expenditures	(103,418)	(102,942)		
Unencumbered Cash, Beginning	892,160	788,742		
Unencumbered Cash, Ending	$ 788,742	$ 685,800		