SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 203

FINANCIAL STATEMENT WITH
SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2025

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SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Education
Unified School District No. 203
Kansas City, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 203, Kansas City, Kansas, as of and for the year ended June 30, 2025, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 203, as of June 30, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 203, as of June 30, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

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 2 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 2 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 2; 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 203, as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated January 19, 2025 which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/account-reports/local-government/municipal-services. 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 June 30, 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 basic financial statement as a whole for the year ended June 30, 2024 on the basis of accounting described in Note 2.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information financial statement itself, and other additional procedures in accordance with auditing standards general accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026, on our consideration of Unified School District No. 203'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 to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 203'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 Unified School District No. 203's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
March 5, 2026

UNIFIED SCHOOL DISTRICT NO. 203 STATEMENT 1
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

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	$ 4,486	$ 1,445	$ 24,629,154	$ 24,635,085	$ -	$ 37,259	$ 37,259
Supplemental General	706,652	21	8,103,725	8,045,050	765,348	19,753	785,101
Special Purpose Funds:							
Federal	(48,075)	-	255,169	345,765	(138,671)	11,360	(127,311)
At Risk (4 Year Old)	-	-	212,094	212,094	-	-	-
At Risk (K-12)	424,422	-	2,171,499	2,529,917	66,004	-	66,004
Bilingual	-	-	306,350	306,350	-	-	-
Virtual Education	-	-	44,000	44,000	-	-	-
Capital Outlay	126,696	24	3,379,503	3,163,759	342,464	369,678	712,142
Food Service	1,278,062	175	1,412,933	1,289,042	1,402,128	-	1,402,128
Professional Development	-	-	97,500	97,500	-	-	-
Parents as Teachers	4,708	-	39,292	44,000	-	-	-
Summer School	26,009	-	-	-	26,009	-	26,009
Special Education	-	1,350	7,388,688	7,362,800	27,238	20,422	47,660
Cost of Living	44,115	-	1,226,518	1,211,720	58,913	-	58,913
Career and Postsecondary Education	207	-	988,292	988,499	-	1,264	1,264
Gifts and Grants	318,831	859	782,980	777,548	325,122	1,514	326,636
KPERS Special Retirement Contribution	(304)	-	2,523,858	2,523,554	-	-	-
Contingency Reserve	159,227	-	-	-	159,227	-	159,227
Textbook and Student Material Revolving	305,278	7,964	377,609	682,556	8,295	24,065	32,360

The accompanying notes are an integral part of the financial statement.

UNIFIED SCHOOL DISTRICT NO. 203 STATEMENT 1
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Special Purpose Funds:							
ESSER I, II & III	$ (359,408)	$ -	$ 359,408	$ -	$ -	$ -	$ -
District Activity	65,740	-	402,280	384,839	83,181	-	83,181
Bond and Interest Fund:							
Bond and Interest	8,206,602	-	7,786,556	7,072,644	8,920,514	-	8,920,514
Capital Project Fund:							
Construction	16,873,187	223,412	2,120,088	18,068,814	1,147,873	840,335	1,988,208
Trust fund:					-		
Scholarship	94,024	-	164	780	93,408	-	93,408
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)	$ 28,230,459	$ 235,250	$ 64,607,660	$ 79,786,316	$ 13,287,053	$ 1,325,650	$ 14,612,703
COMPOSITION OF CASH							
Checking							$ 11,484,181
Checking - Activity Accounts							337,130
Savings							1,037,363
Kansas Municipal Investment Pool							339,619
Other Securities							1,689,188
Total Cash							14,887,481
Agency Funds per Schedule 3							(274,778)
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)							$ 14,612,703

The accompanying notes are an integral part of the financial statement.

1. REPORTING ENTITY

Unified School District No. 203 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 203. There are no related municipal entities presented.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Fund Descriptions. The following types of funds comprise the financial activities of the District for the year ended June 30, 2025:

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 sources (other than Capital Project and tax levies for long-term debt) that are intended for a specified purpose.

Bond and Interest Fund – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of long-term debt.

Capital Project Fund – Used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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

Agency Fund – Used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

3. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar 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.
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 the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. Municipal budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The District did hold a revenue neutral rate hearing this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Federal Fund	Gifts and Grants Fund	District Activity Fund
Textbook and Student Materials Revolving Fund	Contingency Reserve Fund	
	ESSER I, II & III Funds	

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

4. DEPOSITS AND INVESTMENTS

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

Investment Type	Fair Value	Investment Maturity Less Than 1 Year	Investment Maturity 1 - 2 Years	Rating U.S.
Kansas Municipal Investment Pool	$ 339,619	$ 339,619	$ -	N/A
Money Market Government Portfolio	1,689,188	1,689,188	-	
Total Fair Value	$ 2,028,807	$ 2,028,807	$ -	
Securities at cost	$ 2,028,807	$ 2,028,807	$ -	

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 bank 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. The District's allocation of investments as of June 30, 2025, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	16.74%
Money Market Government Portfolio	83.26%
	100.00%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2025.

At June 30, 2025, the District's carrying amount of deposits was $12,858,674 and the bank balance was $13,318,574. 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, and the remaining $13,068,574 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral

securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2025, the District had invested $339,619 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

5. CAPITAL PROJECTS

Capital projects have been authorized for District improvements:

	Authorized	Expended to Date
Purchase and improve sites and construct, equip, furnish, repair, remodel and make additions to buildings, including acquisition of new and upgraded computer and communications technology	$ 69,566,289	$ 69,566,289

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A 72-6428	$ 212,094
General Fund	At Risk (K-12) Fund	K.S.A 72-6428	1,613,938
General Fund	Virtual Education Fund	K.S.A 72-6428	44,000
General Fund	Professional Development Fund	K.S.A 72-6428	86,971
General Fund	Special Education Fund	K.S.A 72-6428	5,780,002
General Fund	Parents as Teachers Fund	K.S.A 72-6428	39,292
General Fund	Career and Postsecondary Education Fund	K.S.A 72-6428	963,643
General Fund	Bilingual Fund	K.S.A 72-6428	227,636
General Fund	Textbook and Student Revolving Material Fund	K.S.A 72-6428	158,345
Supplemental General Fund	At Risk (K-12) Fund	K.S.A 72-6433	541,356
Supplemental General Fund	Bilingual Fund	K.S.A 72-6433	78,714
Supplemental General Fund	Special Education Fund	K.S.A 72-6435	1,476,280

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. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium

regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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, 2025.

Compensated Absences. Accumulated vacation and sick leave paid during the current year are shown as an expenditure in the General Fund.

District policy requires the cancellation of accumulated sick leave upon termination of employment. Upon retirement, teachers who have a minimum of ten years of service may be paid 90% of the substitute teacher rate at the time for the first 50 days of accumulated sick leave and 100% of the substitute teacher rate for 51-100 days of accumulated sick leave. If a teacher has eight years of service and has accumulated sick leave of at least 66 days, the teacher may request by June 15 each year to be paid for any days accumulated over 65 at 90% of the substitute teacher rate in effect at the time.

Classified employees retiring after a minimum of ten consecutive years of service may be paid for all accumulated unused sick leave at 30% of the daily rate for the first 50 days of accumulated sick leave and 35% of the daily rate for 51-100 days of accumulated sick leave. If a classified employee has five consecutive years of service and has accumulated at least 66 days of sick leave, the employee may request by June 15 each year to be paid for any days over 65 at 30% of the daily rate of pay in effect at that time.

8. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

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

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

The 2022 Legislature passed Senate bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer contribution withheld in Fiscal Year 2017 and Fiscal Year 2019 while the remaining $871.1 million was applied to the KPERS-School unfunded actuarial liability. In Fiscal Year 2022, $600 million was transferred in May/June 2022.

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received on August 1, 2022. The second transfer of $125 million was received on December 1, 2022.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $2,523,554 for the year ended June 30, 2025.

Net pension liability

At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $22,074,524. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2024. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

9. RISK MANAGEMENT AND UNCERTAINTIES

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 to protect themselves from these risks.

10. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The Federal Fund had a deficit cash balance of $127,311 and a deficit unencumbered cash balance of $138,671 at June 30, 2025, which is a violation of K.S.A 10-113. The deficit cash balance and deficit unencumbered cash balance is pending reimbursement from the State of Kansas.

11. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform to the current year presentation.

12. SUBSEQUENT CORRECTIONS

The District determined that the cancelled encumbrances in the prior year were improperly recorded in the General Fund, Supplemental General Fund, Capital Outlay Fund, Special Education Fund, Gifts and Grants Fund, and Construction Fund. The correction in each fund and a total change of $3,615 change in the unencumbered cash beginning noted on Statement 1 - Summary Statement of Receipts, Expenditures and Unencumbered Cash (Regulatory Basis).

13. RELATED PARTIES

During the year ended June 30, 2025, the District employed two immediate family members of District Board members.

14. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2025 through March 5, 2026. The aforementioned date represents the date the financial statement was available to be issued.

The District is aware of three claims which are currently being investigated. As of the date of this report, no lawsuits have been filed as a result of the claims, and the potential outcomes cannot be estimated.

15. LONG-TERM DEBT

Changes in long-term debt for the District for the year ended June 30, 2025, 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 2013-A	2.00-2.375%	March 2013	$ 3,420,000	Sept. 2028	$ 2,470,000	$ -	$ 340,000	$ 2,130,000	$ 51,411
Series 2016-A	2.00-4.00%	April 2016	17,070,000	Sept. 2028	8,545,000	-	1,615,000	6,930,000	165,075
Series 2018-A	4.00-5.00%	May 2018	35,000,000	Sept. 2048	35,000,000	-	-	35,000,000	1,609,650
Series 2018-B	2.65%-3.70%	May 2018	3,280,000	Sept. 2028	560,000	-	110,000	450,000	17,995
Series 2022-A	3.00%-5.25%	July 2022	64,300,000	Sept. 2052	64,300,000	-	-	64,300,000	3,163,513
Finance/capital leases:									
Energy lease	5.04%	June 2008	4,890,000	Sept. 2028	1,577,320	-	331,012	1,246,308	40,291
Energy lease	5.85%	Jan. 2009	2,674,000	March 2029	1,066,167	-	204,415	861,752	38,913
Total					$ 113,518,487	$ -	$ 2,600,427	$ 110,918,060	$ 5,086,848

15. LONG-TERM DEBT (continued)

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

	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	2046-2050	2051-2053	Total
Principal											
G.O. Bonds											
Series 2013-A	$ 425,000	$ 560,000	$ 570,000	$ 575,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,130,000
Series 2016-A	1,670,000	1,705,000	1,755,000	1,800,000	-	-	-	-	-	-	6,930,000
Series 2018-A	-	-	-	-	1,070,000	6,210,000	7,920,000	10,080,000	9,720,000	-	35,000,000
Series 2018-B	110,000	110,000	115,000	115,000	-	-	-	-	-	-	450,000
Series 2022-A	-	-	-	125,000	1,110,000	6,945,000	8,870,000	11,320,000	16,845,000	19,085,000	64,300,000
Finance/capital leases											
Energy lease	341,857	353,058	364,625	186,768	-	-	-	-	-	-	1,246,308
Energy lease	207,333	213,074	218,975	222,370	-	-	-	-	-	-	861,752
Total Principal	2,754,190	2,941,132	3,023,600	3,024,138	2,180,000	13,155,000	16,790,000	21,400,000	26,565,000	19,085,000	110,918,060
Interest											
G.O. Bonds											
Series 2013-A	44,861	32,926	20,211	6,828	-	-	-	-	-	-	104,826
Series 2016-A	124,150	90,400	55,800	19,125	-	-	-	-	-	-	289,475
Series 2018-A	1,609,650	1,609,650	1,609,650	1,609,650	1,582,900	7,034,500	5,816,500	3,077,725	796,600	-	24,746,825
Series 2018-B	14,255	10,405	6,354	2,127	-	-	-	-	-	-	33,141
Series 2022-A	3,163,513	3,163,513	3,163,513	3,161,638	3,132,013	14,687,437	12,719,812	10,208,312	7,275,987	1,537,068	62,212,806
Finance/capital leases											
Energy lease	37,750	26,549	15,002	3,035	-	-	-	-	-	-	82,336
Energy lease	22,356	16,615	10,715	4,652	-	-	-	-	-	-	54,338
Total Interest	5,016,535	4,950,058	4,881,245	4,807,055	4,714,913	21,721,937	18,536,312	13,286,037	8,072,587	1,537,068	87,523,747
Total Principal and Interest	$7,770,725	$7,891,190	$7,904,845	$7,831,193	$6,894,913	$34,876,937	$35,326,312	$34,686,037	$34,637,587	$20,622,068	$198,441,807

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 203
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

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	$ 25,010,008	$ (936,062)	$ 585,167	$ 24,659,113	$ 24,635,085	$ (24,028)
Supplemental General	8,312,054	(280,064)	13,060	8,045,050	8,045,050	-
Special Purpose Funds:						
At Risk (4 Year Old)	278,258	-	-	278,258	212,094	(66,164)
At risk (K-12)	2,685,558	-	-	2,685,558	2,529,917	(155,641)
Bilingual	336,484	-	-	336,484	306,350	(30,134)
Virtual Education	80,000	-	-	80,000	44,000	(36,000)
Capital Outlay	3,864,947	-	-	3,864,947	3,163,759	(701,188)
Food Service	1,577,646	-	-	1,577,646	1,289,042	(288,604)
Professional Development	97,500	-	-	97,500	97,500	-
Parents as Teachers	44,000	-	-	44,000	44,000	-
Summer School	-	-	-	-	-	-
Special Education	7,560,812	-	-	7,560,812	7,362,800	(198,012)
Cost of Living	1,269,122	-	-	1,269,122	1,211,720	(57,402)
Career and Postsecondary Education	1,242,497	-	-	1,242,497	988,499	(253,998)
KPERS Special Retirement Contribution	2,955,042	-	-	2,955,042	2,523,554	(431,488)
Bond and Interest Fund:						
Bond and Interest	7,072,644	-	-	7,072,644	7,072,644	-

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State aid:				
General State Aid	$ 17,567,341	$ 19,640,407	$ 20,142,661	$ (502,254)
Special Education Services Aid	3,395,297	4,403,580	4,867,347	(463,767)
Reimbursements	735,695	585,167	-	585,167
Total Receipts	21,698,333	24,629,154	$ 25,010,008	$ (380,854)
Expenditures				
Instruction	11,384,469	11,808,785	$ 11,692,876	$ 115,909
Student Support Services	883,812	497,502	997,261	(499,759)
Instructional Support Staff	406,678	329,415	424,219	(94,804)
General Administration	709,695	702,219	746,422	(44,203)
School Administration	1,358,130	1,716,238	1,583,549	132,689
Central Services	5,681	5,409	10,000	(4,591)
Operations and Maintenance	173,611	442,307	75,100	367,207
Student Transportation Services	39,679	-	125,000	(125,000)
Food Service	10,751	7,289	-	7,289
Operating Transfers	6,725,827	9,125,921	9,355,581	(229,660)
Adjustment to Comply with Legal Max	-	-	(936,062)	936,062
Legal General Fund Budget	21,698,333	24,635,085	24,073,946	561,139
Adjustment for Qualifying Budget Credits	-	-	585,167	(585,167)
Total Expenditures	21,698,333	24,635,085	$ 24,659,113	$ (24,028)
Receipts Over (Under) Expenditures	-	(5,931)		
Prior Year Cancelled Encumbrances	29,959	1,445		
Subsequent Correction	(25,473)	-		
Unencumbered Cash, Beginning	-	4,486		
Unencumbered Cash, Ending	$ 4,486	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared revenue:				
Ad Valorem Property Tax	$ 4,256,365	$ 5,126,128	$ 4,851,770	$ 274,358
Delinquent Tax	30,701	54,742	54,593	149
Motor Vehicle Tax	280,977	298,925	289,609	9,316
Recreational Vehicle Tax	1,306	1,276	3,540	(2,264)
State aid:				
Supplemental General State Aid	2,443,125	2,609,594	2,700,586	(90,992)
Reimbursements	29,339	13,060	-	13,060
Total Receipts	7,041,813	8,103,725	$ 7,900,098	$ 203,627
Expenditures				
Instruction	155,702	170,875	$ 263,389	$ (92,514)
Student Support Services	34,628	32,337	30,000	2,337
General Administration	372,673	509,359	527,063	(17,704)
School Administration	391,363	567,621	713,886	(146,265)
Central Services	735,426	780,517	865,595	(85,078)
Operations and Maintenance	1,866,260	2,521,495	2,787,936	(266,441)
Student Transportation Services	1,407,386	1,360,452	7,500	1,352,952
Other Support Services	6,391	6,044	-	6,044
Operating Transfers	2,037,873	2,096,350	3,116,685	(1,020,335)
Adjustment to Comply with Legal Max	-	-	(280,064)	280,064
Total Expenditures	7,007,702	8,045,050	8,031,990	13,060
Adjustment for qualifying budget credits	-	-	13,060	(13,060)
Total Expenditures	7,007,702	8,045,050	$ 8,045,050	$ -
Receipts Over (Under) Expenditures	34,111	58,675		
Prior Year Cancelled Encumbrances	45,367	21		
Subsequent Correction	(20,212)	-		
Unencumbered Cash, Beginning	647,386	706,652		
Unencumbered Cash, Ending	$ 706,652	$ 765,348		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
FEDERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Federal aid:		
Title I	$ 154,947	$ 184,023
Title III	-	4,798
Title IIA	39,390	50,336
Title IV	6,758	16,012
Total Receipts	201,095	255,169
Expenditures		
Instruction	189,179	345,765
Receipts Over (Under) Expenditures	11,916	(90,596)
Unencumbered Cash, Beginning	(59,991)	(48,075)
Unencumbered Cash, Ending	$ (48,075)	$ (138,671)

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AT RISK (4 YEAR OLD) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 37,064	$ 212,094	$ 278,258	$ (66,164)
Total Receipts	37,064	212,094	$ 278,258	$ (66,164)
Expenditures				
Instruction	37,776	212,094	$ 278,258	$ (66,164)
Receipts Over (Under) Expenditures	(712)	-		
Unencumbered Cash, Beginning	712	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursed Expenses	$ -	$ 16,205	$ -	$ 16,205
Operating Transfers	1,966,361	2,155,294	2,260,962	(105,668)
Total Receipts	1,966,361	2,171,499	$ 2,260,962	$ (89,463)
Expenditures				
Instruction	1,870,280	1,873,541	$ 1,856,198	$ 17,343
Student Support Services	73,731	609,340	779,360	(170,020)
Student Transportation Services	29,457	47,036	50,000	(2,964)
Total Expenditures	1,973,468	2,529,917	$ 2,685,558	$ (155,641)
Receipts Over (Under) Expenditures	(7,107)	(358,418)		
Unencumbered Cash, Beginning	431,529	424,422		
Unencumbered Cash, Ending	$ 424,422	$ 66,004		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
BILINGUAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 198,899	$ 306,350	$ 336,484	$ (30,134)
Expenditures				
Instruction	236,502	306,350	$ 336,484	$ (30,134)
Receipts Over (Under) Expenditures	(37,603)	-		
Unencumbered Cash, Beginning	37,603	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 48,406	$ 44,000	$ 80,000	$ (36,000)
Expenditures				
Instruction	64,250	44,000	$ 80,000	$ (36,000)
Receipts Over (Under) Expenditures	(15,844)	-		
Unencumbered Cash, Beginning	15,844	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	$ 2,476,953	$ 2,753,979	$ 2,670,562	$ 83,417
Delinquent Tax	18,428	31,788	31,717	71
Motor Vehicle Tax	177,529	182,901	181,681	1,220
Recreational Vehicle Tax	820	787	2,221	(1,434)
State Aid	532,572	390,172	390,245	(73)
Interest on Idle Funds	20,067	19,358	20,000	(642)
Miscellaneous	39,306	518	40,000	(39,482)
Operating Transfers	-	-	375,253	(375,253)
Total Receipts	3,265,675	3,379,503	$ 3,711,679	$ (332,176)
Expenditures				
Instruction	882,802	800,403	$ 1,249,985	$ (449,582)
Student Support Services	43,456	452,777	-	452,777
General Administration	2,555	40,500	375,253	(334,753)
Equipment and Supplies	173,300	29,089	125,000	(95,911)
Operations and Maintenance	1,616,920	1,108,245	1,380,413	(272,168)
Facilities Acquisition and Construction	91,921	11,502	100,000	(88,498)
Other Support Services	10,497	111,947	25,000	86,947
Debt Services	609,296	609,296	609,296	-
Total Expenditures	3,430,747	3,163,759	$ 3,864,947	$ (701,188)
Receipts Over (Under) Expenditures	(165,072)	215,744		
Prior Year Cancelled Encumbrances	38,523	24		
Subsequent Correction	(9,271)	-		
Unencumbered Cash, Beginning	262,516	126,696		
Unencumbered Cash, Ending	$ 126,696	$ 342,464		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 12,395	$ 12,812	$ 9,319	$ 3,493
Federal Aid	598,059	600,136	609,283	(9,147)
Local Receipts	760,001	799,935	579,935	220,000
Reimbursements	13,304	50	-	50
Total Receipts	1,383,759	1,412,933	$ 1,198,537	$ 214,396
Expenditures				
Food Service Operations	1,226,685	1,289,042	$ 1,577,646	$ (288,604)
Receipts Over (Under) Expenditures	157,074	123,891		
Prior Year Cancelled Encumbrances	-	175		
Unencumbered Cash, Beginning	1,120,988	1,278,062		
Unencumbered Cash, Ending	$ 1,278,062	$ 1,402,128		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 10,480	$ 10,529	$ 22,500	$ (11,971)
Operating Transfers	29,749	86,971	75,000	11,971
Reimbursements	963	-	-	-
Total Receipts	41,192	97,500	$ 97,500	$ -
Expenditures				
Instructional Support Staff	69,551	97,500	$ 97,500	$ -
Receipts Over (Under) Expenditures	(28,359)	-		
Unencumbered Cash, Beginning	28,359	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
PARENTS AS TEACHERS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Local Receipts	$ 150	$ -	$ -	$ -
Operating Transfers	-	39,292	45,000	(5,708)
Total Receipts	150	39,292	$ 45,000	$ (5,708)
Expenditures				
Instruction	-	44,000	$ 44,000	$ -
Receipts Over (Under) Expenditures	150	(4,708)		
Unencumbered Cash, Beginning	4,558	4,708		
Unencumbered Cash, Ending	$ 4,708	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SUMMER SCHOOL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursements	$ 72	$ -	$ -	$ -
Expenditures				
Instruction	-	-	$ -	$ -
Receipts Over (Under) Expenditures	72	-		
Unencumbered Cash, Beginning	25,937	26,009		
Unencumbered Cash, Ending	$ 26,009	$ 26,009		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 87,550	$ -	$ -	$ -
Reimbursed Expenses	225,788	132,406	252,000	(119,594)
Operating Transfers	5,689,195	7,256,282	7,308,812	(52,530)
Total Receipts	6,002,533	7,388,688	$ 7,560,812	$ (172,124)
Expenditures				
Instruction	5,163,981	6,314,006	$ 6,136,237	$ 177,769
Student Support Services	197,113	113,015	569,575	(456,560)
Student Transportation Services	775,028	935,779	855,000	80,779
Total Expenditures	6,136,122	7,362,800	$ 7,560,812	$ (198,012)
Receipts Over (Under) Expenditures	(133,589)	25,888		
Prior Year Cancelled Encumbrances	326	1,350		
Subsequent Correction	(326)	-		
Unencumbered Cash, Beginning	133,589	-		
Unencumbered Cash, Ending	$ -	$ 27,238		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
COST OF LIVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	$ 609,482	$ 1,175,233	$ 1,185,381	$ (10,148)
Delinquent Tax	2,409	5,754	7,929	(2,175)
Motor Vehicle Tax	22,046	32,412	25,982	6,430
Recreational Vehicle Tax	106	131	126	5
Commercial Vehicle Tax	-	-	191	(191)
IRB/PILOT Tax	7,130	12,988	-	12,988
Total Receipts	641,173	1,226,518	$ 1,219,609	$ 6,909
Expenditures				
State Payment	639,500	1,211,720	$ 1,269,122	$ (57,402)
Receipts Over (Under) Expenditures	1,673	14,798		
Unencumbered Cash, Beginning	42,442	44,115		
Unencumbered Cash, Ending	$ 44,115	$ 58,913		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursed Expenses	$ 29,981	$ 24,649	$ 30,000	$ (5,351)
Operating Transfers	794,025	963,643	1,212,497	(248,854)
Total Receipts	824,006	988,292	$ 1,242,497	$ (254,205)
Expenditures				
Instruction	879,595	988,499	$ 1,242,497	$ (253,998)
Receipts Over (Under) Expenditures	(55,589)	(207)		
Unencumbered Cash, Beginning	55,796	207		
Unencumbered Cash, Ending	$ 207	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Revenue from Local Sources	$ 468,172	$ 782,980
Expenditures		
Operations and Maintenance	226,804	39,709
Grant Expenditures	505,860	737,839
Total Expenditures	732,664	777,548
Receipts Over (Under) Expenditures	(264,492)	5,432
Prior Year Cancelled Encumbrances	10,892	859
Subsequent Correction	(114)	-
Unencumbered Cash, Beginning	572,545	318,831
Unencumbered Cash, Ending	$ 318,831	$ 325,122

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 2,547,450	$ 2,523,858	$ 2,955,042	$ (431,184)
Expenditures				
KPERS Retirement	2,547,754	2,523,554	$ 2,955,042	$ (431,488)
Receipts Over (Under) Expenditures	(304)	304		
Unencumbered Cash, Beginning	-	(304)		
Unencumbered Cash, Ending	$ (304)	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Interest on Idle Funds	$ -	$ -
Expenditures		
Operating Transfers	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	159,227	159,227
Unencumbered Cash, Ending	$ 159,227	$ 159,227

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
TEXTBOOK AND STUDENT MATERIAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 231,208	$ 219,264
Operating Transfers	-	158,345
Total Receipts	231,208	377,609
Expenditures		
Instruction	418,556	682,556
Receipts Over (Under) Expenditures	(187,348)	(304,947)
Prior Year Cancelled Encumbrances	314	7,964
Unencumbered Cash, Beginning	492,312	305,278
Unencumbered Cash, Ending	$ 305,278	$ 8,295

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUNDS I, II & III (ESSER I, II & III)
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 947,738	$ 359,408
Expenditures		
Instruction	362,806	-
Student Support Services	16,764	-
School Administration	93,712	-
Total Expenditures	473,282	-
Receipts Over (Under) Expenditures	474,456	359,408
Unencumbered Cash, Beginning	(833,864)	(359,408)
Unencumbered Cash, Ending	$ (359,408)	$ -

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	$ 6,989,267	$ 6,861,691	$ 6,649,237	$ 212,454
Delinquent Tax	43,263	83,117	89,203	(6,086)
Motor Vehicle Tax	424,226	515,850	516,960	(1,110)
Recreational Vehicle Tax	1,898	2,221	2,498	(277)
State Aid	523,347	323,677	323,677	-
Interest on Idle Funds	306	-	-	-
Total Receipts	7,982,307	7,786,556	$ 7,581,575	$ 204,981
Expenditures				
Principal	2,175,000	2,065,000	2,065,000	-
Interest	5,077,792	5,007,644	5,007,644	-
Total Expenditures	7,252,792	7,072,644	$ 7,072,644	$ -
Receipts Over (Under) Expenditures	729,515	713,912		
Unencumbered Cash, Beginning	7,477,087	8,206,602		
Unencumbered Cash, Ending	$ 8,206,602	$ 8,920,514		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CONSTRUCTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Interest on Idle Funds	$ 1,022,496	$ 2,076,763
Reimbursments	552	43,325
Total Receipts	1,023,048	2,120,088
Expenditures		
Construction	41,246,198	18,068,814
Receipts Over (Under) Expenditures	(40,223,150)	(15,948,726)
Prior Year Cancelled Encumbrances	43,744	223,412
Subsequent Correction	51,781	-
Unencumbered Cash, Beginning	57,000,812	16,873,187
Unencumbered Cash, Ending	$ 16,873,187	$ 1,147,873

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SCHOLARSHIP FUND
SUMMARY OF RECEIPTS AND DISBURSEMENTS REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

	Prior Year Actual	Current Year Actual
Receipts		
Interest on Idle Funds	$ 137	$ 164
Expenditures		
Scholarships	1,875	780
Receipts Over (Under) Expenditures	(1,738)	(616)
Unencumbered Cash, Beginning	95,762	94,024
Unencumbered Cash, Ending	$ 94,024	$ 93,408

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Piper High School				
Advance Placement Program	$ 5,164	$ 18,890	$ 27,876	$ (3,822)
Auction	3,679	-	3,679	-
Band	35	1,311	1,291	55
Baseball Club	2,573	19,150	15,664	6,059
Black Leaders of America	2,352	646	348	2,650
Bowling	220	227	91	356
Boys Basketball	512	5,542	3,691	2,363
Boy Tennis	-	120	-	120
Boys Soccer	857	2,076	2,597	336
Boys Swimming	(1,521)	1,672	151	-
Cheerleading	8,649	16,271	22,599	2,321
Chess Club	726	-	58	668
Coke Fund	900	-	900	-
Compass	157	357	514	-
Cross Country	3,496	1,951	186	5,261
Culinary	627	1,262	1,889	-
Cyber Defense Pirates	(216)	216	-	-
Dance Squad	1,340	17,550	21,369	(2,479)
DECA	3,064	9,349	7,413	5,000
Diversity Club	-	600	47	553
Dude Be Nice	5	-	5	-
Earth Club	440	1,356	1,293	503
Entrepreneurship	4,011	2,069	6,080	-
FCA	4,471	2,520	3,659	3,332
FCCLA	4,627	20,087	20,904	3,810
Fishing Club	-	-	-	-
Football	21,826	6,003	23,370	4,459
Girls Basketball	3,608	-	2,607	1,001
Girls Golf	-	1,435	-	1,435
Girls Soccer	5,216	1,218	3,287	3,147
Girls Swimming	1,754	-	261	1,493
Girls Tennis	-	210	-	210
Golf	2,062	1,167	1,794	1,435
GSA	1,837	-	-	1,837
Heart Savers for K-12 CPR/AED	(10)	10	-	-
HOSA	852	-	200	652
Junior Class	18,516	17,886	31,402	5,000
KEY Club	968	328	536	760
Latinx	289	600	86	803
Life Skills	1,831	391	2,222	-
Mental Health/AP Psych	218	-	218	-
NSDA	(729)	729	-	-
Piper Graphics	8,314	15,436	19,750	4,000

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Pirate Bay	$ 28,696	$ 10,863	$ 34,559	$ 5,000
Powerlifting	10,561	32	9,307	1,286
Publications	28,139	54,970	73,412	9,697
Real World Learning	879	1,500	1,375	1,004
Robotics	6,780	4,586	9,508	1,858
Scholars Bowl	681	-	203	478
Senior Class	328	-	328	-
Softball	6,870	2,309	5,561	3,618
Staff Scholarship Award	301	-	301	-
Student Council	5,825	2,860	3,685	5,000
General Activity Account	(20,460)	58,066	38,900	(1,294)
Track	2,593	68	3,683	(1,022)
Tri-M Society	623	429	378	674
Tyler Jobe Memorial Scholarship	1,602	500	2,102	-
Volleyball	1,006	4,564	5,570	-
Weightroom	25,171	4,726	29,897	-
Womens Club	-	820	649	171
Wrestling	2,387	12,991	2,079	13,299
Subtotal Piper High School	214,702	327,919	449,534	93,087
Piper Middle School				
Cheerleaders	(4,548)	5,143	587	8
Drama	1,990	1,027	595	2,422
FCCLA	536	8,254	8,696	94
Grant funds	1,422	2,195	2,195	1,422
HOSA	-	9,550	8,447	1,103
Music	90	-	90	-
National Junior Honor Society	2,548	121	969	1,700
Piper Honor Organization	536	904	1,065	375
Student Council	3,675	5,938	5,680	3,933
Student Services	(4,399)	5,531	1,132	-
Student Incentives	1,789	-	224	1,565
TSA	-	4,415	625	3,790
Yearbook	1,366	3,452	3,379	1,439
Subtotal Piper Middle School	5,005	46,530	33,684	17,851
Piper Creek Elementary School				
Art	2,275	-	-	2,275
Band	787	6	292	501
Grant Funds	(4)	-	-	(4)
STEM Fund	63	-	-	63
Student Council	333	458	356	435
Social Committee	531	1,345	694	1,182
Yearbook	4,086	1,743	-	5,829
General Activity Account	(4,332)	-	6,749	(11,081)
Subtotal Piper Creek Elementary School	3,739	3,552	8,091	(800)

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Piper Prairie Elementary School				
General Activity Account	$ 24,640	$ 517	$ 17,367	$ 7,790
Art	2,885	1,600	-	4,485
Fundraisers	86,143	43,361	22,662	106,842
Future Ready	785	1,216	1,155	846
Onward	-	2,258	744	1,514
Social Committee	173	920	667	426
Yearbook	10,841	204	-	11,045
Subtotal Prairie Creek Elementary School	125,467	50,076	42,595	132,948
Early Childhood Center				
General Activity Account	10,673	1,617	1,230	11,060
Social Committee	21	390	301	110
Subtotal Early Childhood Center	10,694	2,007	1,531	11,170
Total student activity funds	359,607	430,084	535,435	254,256
Sales Tax				
Piper High School	1,085	15,612	16,616	81
Piper Middle School	146	7,973	8,016	103
Piper Creek Elementary School	175	33	222	(14)
Piper Prairie Elementary School	(266)	-	-	(266)
Total Sales Tax	1,140	23,618	24,854	(96)
Petty Cash				
Piper High School	490	6,097	6,587	-
Piper Middle School	155	-	155	-
Piper Creek Elementary School	(116)	585	1,045	(576)
Piper Prairie Elementary School	400	-	35	365
Total Petty Cash	929	6,682	7,822	(211)
Payroll Clearing	14,739	67,226	61,136	20,829
Total agency funds	$ 376,415	$ 527,610	$ 629,247	$ 274,778

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts:					
Piper High School	$ (57,876)	$ 332,885	$ 270,612	$ 4,397	$ 4,397
Piper Middle School	54,611	16,060	41,633	29,038	29,038
Subtotal Gate Receipts	(3,265)	348,945	312,245	33,435	33,435
School Projects					
Piper High School	18,343	23,678	34,670	7,351	7,351
Piper Middle School	597	79	-	676	676
Piper Creek Elementary School	30,714	20,598	32,883	18,429	18,429
Piper Prairie Elementary School	4,460	414	210	4,664	4,664
Early Childhood Center	14,891	8,566	4,831	18,626	18,626
Subtotal School Projects	69,005	53,335	72,594	49,746	49,746
Total District Activity Funds	$ 65,740	$ 402,280	$ 384,839	$ 83,181	$ 83,181

UNIFIED SCHOOL DISTRICT NO. 203

SINGLE AUDIT SECTION

JUNE 30, 2025

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

To the Board of Education of Unified School District No. 203
Kansas City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide,* the financial statement of Unified School District No. 203, as of and for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated March 5, 2026. 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 Unified School District No. 203'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 opinion on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of Unified School District No. 203's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 203's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 203's financial statement is free of 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 Unified School District No. 203'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
March 5, 2026

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

To the Board of Education Unified School District No. 203
Kansas City, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 203's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 203's major federal programs for the year ended June 30, 2025. Unified School District No. 203's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 203 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Unified School District No. 203 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District No. 203's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Unified School District No. 203'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 errors, and express and opinion on Unified School District No. 203'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 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 judgement made by a reasonable user of the report on compliance about Unified School District's No. 203'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 Unified School District No. 203'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 Unified School District No. 203'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 Unified School District No. 203'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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questions costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District No. 203's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District No. 203's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District's No. 203's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District's No. 203's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
March 5, 2026

UNIFIED SCHOOL DISTRICT NO. 203
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 203 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. No material weaknesses were identified, and no significant deficiencies were reported in the design or operation of internal control over financial reporting.

3. No instances of noncompliance material to the financial statement of Unified School District No. 203, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No material weaknesses were identified, and one significant deficiency was reported during the audit of each major federal award program.

5. The auditor's report on compliance for each major federal program for Unified School District No. 203 expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with the 2 CFR 200.516(a) are reported in this Schedule.

7. The program tested as a major program: Child Nutrition Cluster, Assistance Listing Number 10.553, 10.555 and 10.559.

8. The threshold for distinguishing Type A and Type B programs was $750,000 for major Federal programs.

9. Unified School District No. 203 was determined to not be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 203
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINDINGS – FINANCIAL STATEMENT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2025-001 Eligibility for Benefits - Child Nutrition Program (Significant Deficiency)

Federal Agency: United States Department of Agriculture
Program Name: Child Nutrition Program Cluster
Assistance Listing Numbers: 10.553, 10.555, 10.559
Award Period: Year ended June 30, 2025

Criteria: Under the Child Nutrition Program requirements, the District must maintain complete documentation to justify student eligibility. This includes collecting signed applications and performing an accurate evaluation of household income against federal eligibility guidelines.

Condition: We have determined that the District failed to maintain a required application for one student and incorrectly approved another student whose household income exceeded the federal eligibility limits of the benefits being received.

Cause: The District's policies and procedures were not in place and working properly to ensure that all applications were archived and the income evaluation steps were accurately performed.

Context: Out of twenty students tested for eligibility, one application for eligibility was not maintained and one file contained incorrect income evaluation.

Effect: Benefits were provided to students who either lacked supporting documentation or did not meet the income eligibility limits of benefits received.

Recommendation: We recommend that Board of Education and management evaluate the controls over the eligibility process to ensure that the process is being followed and implemented correctly and ensure that there is compliance with guidelines.

Questioned Costs: None

Repeat Finding: No

Views of Responsible Offices and Planned Corrective Actions: Management agrees with the finding and plans to evaluate the current process to determine how controls over compliance can be strengthened to ensure that documentation is maintained and family income is accurately evaluated in correlation with the income eligibility guidelines.

UNIFIED SCHOOL DISTRICT NO. 203
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT

2024-001 Internal Controls over Financial Statement Presentation (Material Weakness)

Finding Summary: Initially provided financial information required material adjustments in order to be in compliance with the regulatory cash basis of accounting.

Status: Corrective action has been taken.

2024-002 Internal Control over Adjusting Journal Entries (Significant Deficiency)

Finding Summary: District's policies and procedures were not designed to ensure proper segregation of duties exists over adjusting journal entries.

Status: Corrective action has been taken.

2024-003 Internal Controls over Check Authorization of Agency/Activity Funds (Significant Deficiency)

Finding Summary: District's policies and procedures were not designed to ensure proper segregation of duties exists over check authorization for Agency/Activity Funds.

Status: Corrective action has been taken.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2024-004 Internal Control over Schedule of Expenditures of Federal Awards (Material Weakness)

Finding Summary: There was an inadequate design of internal control over compliance with Uniform Guidance over the preparation of the schedule of expenditures of federal awards for the year ended June 30, 2024.

Status: Corrective action has been taken.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 203
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor	Assistance Lising Number	Pass-Through Entity Name	Name of Grant - Grant ID No.	Federal Expenditures
EXPENDITURES OF FEDERAL AWARDS				
Child Nutrition Cluster-Cluster				
United States Department of Agriculture				
School Breakfast Program	10.553	Kansas State Department of Education	School Breakfast--3529-3490	$ 64,795
National School Lunch Program	10.555	Kansas State Department of Education	Supply Chain Assistance--3530-3500	464,504
Summer Food Service Program for Children	10.559	Kansas State Department of Education	Cash for Commodities--3530-3500	70,837
Total United States Department of Agriculture				600,136
Total Child Nutrition Cluster-Cluster				600,136
Other Programs				
Department of Education				
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education	Title I--3532-3520	236,908
Career and Technical Education -- Basic Grants to States	84.048	Kansas State Department of Education	Perkins V--3539-3590	27,844
English Language Acquisition State Grants	84.365	Kansas State Department of Education	English Language Acuisition--3522-3820	5,742
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education	Title II--3526-3860	63,818
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education	ESSA-Sutdent Support Academic Enrich FloThru--3113-3113	39,297
Total Department of Education				373,609
Department of Health and Human Services				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Kansas State Department of Education	TANF-Early Learning Kansans--3323-0531	22,500
Total Department of Health and Human Services				22,500
Total Other Programs				396,109
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 996,245

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 203
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 203 (the District) and is presented on the regulatory basis of accounting. 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 aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the regulatory basis of accounting, as described in Note 2 to the District's financial statement.

3. DE MINIMIS INDIRECT COST RATE

In accordance with Section 2 U.S. *Code of Federal Regulations* Part 200.412 the District is allowed to elect to use the ten percent de minimis indirect cost rate. The District did not elect to use the 10% de minimis indirect cost rate.

4. FUTURE CHANGES IN AUDIT REQUIREMENTS

In April 2024, the Office of Management and Budget (OMB) issued revisions to 2 CFR 200 (Uniform Guidance) that increases the Single Audit threshold from $750,000 to $1,000,000. This change is in effect for the District for the fiscal year beginning July 1, 2025. Management is currently evaluating the impact of this change on the requirement for a Single Audit in future periods.