UNIFIED SCHOOL DISTRICT NO. 458

Basehor, Kansas

Financial Statements

For the Year Ended June 30, 2025

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UNIFIED SCHOOL DISTRICT NO. 458
Financial Statements
For the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 458
Basehor, Kansas

Report on the Audit of the Financial Statements

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. 458, Basehor, Kansas (the District), as of and for the year ended June 30, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 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 District as of June 30, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

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

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

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

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

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 12, 2025, on our consideration of the District's internal control over financial reporting and 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 control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2024 actual column 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated October 3, 2024, 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 web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accountsreports/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 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 12, 2025

UNIFIED SCHOOL DISTRICT NO. 458
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 24,063,873	$ 24,063,873	$ -	$ 736,732	$ 736,732
Supplemental General	102,480	-	7,812,913	7,505,817	409,576	351,237	760,813
Special Purpose Funds:							
At Risk (K-12)	-	-	1,706,565	1,616,300	90,265	50,196	140,461
Bilingual Education	97	-	131,743	131,611	229	6,395	6,624
Virtual Education	21	-	649,000	649,003	18	7,644	7,662
Capital Outlay	2,220,632	-	3,377,779	3,387,996	2,210,415	83,625	2,294,040
Food Service	2,257	-	1,419,572	1,413,000	8,829	13,158	21,987
Professional Development	-	-	103,945	101,602	2,343	1	2,344
Parent Education	42,029	-	56,021	94,994	3,056	24	3,080
Special Education	2,987	-	6,591,020	6,569,007	25,000	70,249	95,249
Special Education Cooperative	102,905	-	11,027,003	10,997,870	132,038	387,766	519,804
Career and Postsecondary Education	-	-	410,076	403,966	6,110	15,225	21,335
KPERS Special Retirement Contribution	-	-	2,972,457	2,972,457	-	-	-
Gifts and Grants	63,270	-	1,111	4,068	60,313	-	60,313
Contingency Reserve	936,289	-	-	-	936,289	-	936,289
Textbook and Student Material Revolving	66	-	491,912	451,293	40,685	-	40,685
Federal Funds	72	-	384,610	384,682	-	2,164	2,164
District Activities	259,739	-	1,034,789	968,616	325,912	-	325,912
Bond and Interest Fund:							
Bond and Interest	11,423,312	-	8,647,489	9,947,306	10,123,495	-	10,123,495
Special Assessment	17,894	-	20,113	19,618	18,389	-	18,389
Capital Project Fund:							
Bond Construction	-	-	64,704,167	12,619,789	52,084,378	-	52,084,378
Bond Construction II	-	-	-	-	-	-	-
Total Reporting Entity (excluding Agency Funds)	$ 15,174,050	$ -	$ 135,606,158	$ 84,302,868	$ 66,477,340	$ 1,724,416	$ 68,201,756

Composition of Cash:		
	Community National Bank	
	Checking Accounts	$ 14,284,816
	First State Bank	
	Checking Account	2,101,935
	Commerce Bank	
	Checking Accounts	52,083,913
	Cash Balance	68,470,664
	Less: Agency Funds per Schedule 3	[268,908]
	Total Reporting Entity (Excluding Agency Funds)	$ 68,201,756

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

UNIFIED SCHOOL DISTRICT NO. 458
Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 458 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the District (the primary government). The District has no related municipal entities.

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

Regulatory Basis Fund Types

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

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

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.

Agency Fund - funds used to report assets held by the District in a purely custodial capacity (payroll clearing fund, student organization fund, etc.).

Reimbursed Expenses

Expenditures in the amount of $754,828 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund(s), 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 for this year.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis 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. The budget was amended for the year ended June 30, 2025 for the Special Education Cooperative Fund.

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 prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds: Contingency Reserve, Textbook and Student Material Revolving, Bond Construction, Bond Construction II and District Activity.

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

NOTE 2 - Deposits and Investments

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

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

NOTE 2 - Deposits and Investments (Continued)

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods."

As of June 30, 2025, the District's carrying amount of deposits was $68,470,664 and the bank balance was $70,730,289. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $500,000 was covered by federal depository insurance and $70,230,289 was collateralized with securities held by the pledging financial institutions' agents 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.

NOTE 3 - Defined Benefit Pension Plan

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

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

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

NOTE 3 - Defined Benefit Pension Plan (Continued)

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

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received 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 employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $2,972,457 for the year ended June 30, 2025.

Net Pension Liability. As of June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $26,302,147. 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 these financial statements.

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

NOTE 4 - 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. There is no cost to the District under this program.

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.

Sick and Vacation Leave. The District provides sick leave for certified and classified personnel. Certified employees earn sick leave at the rate of ten days of leave each school year, or eleven days each year after five years of service with the District. Once a professional employee has accrued 90 sick days, they may opt to sell back any of their unused leave at $50 per day for up to 11 days. Classified employees earn sick leave at the rate of any day per month. After five years of continual service, the employee will receive one additional day.

Vacation leave is provided to classified employees with 12-month contracts based on years of continual employment, up to a maximum accumulation of 40 days. Leave is earned at the following rates:

NOTE 4 - Other Long-Term Obligations from Operations (Continued)

Years of Service	Vacation Days Earned Per Year
0-5 years	10 days
6 years	11 days
7 years	12 days
8 years	13 days
9 years	14 days
10 years and over	15 days

The District has not determined the liability for compensated absences because the amount cannot be reasonably estimated.

NOTE 5 - Special Education Cooperative

The District entered into a cooperative agreement with Unified School District No. 464 Tonganoxie to provide special education services. The cooperative was formed pursuant to K.S.A 72-968 *et. Seq*. and Unified School District No. 458 is the sponsoring district.

The sponsoring district applies for all federal aid and each participating district applies for state aid for special education services. Each district is financially responsible for the salary and wages of their own employees associated with special education services and both districts share in the administrative and overhead costs agreed upon from the approved budget.

NOTE 6 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters & other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 fiscal years.

The District pays an annual premium to KERMP LLC for property insurance coverage. The agreement to participate provides that the KERMP LLC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KERMP LLC management.

NOTE 7 - Interfund Transfers

Transfers for the year ended June 30, 2025, are approved by the Board of Education and are as follows:

From	To	Amount	Regulatory Authority
General	Bilingual Education	$ 106,485	K.S.A. 72-5167
General	Virtual Education	649,000	K.S.A. 72-5167
General	Professional Development	90,000	K.S.A. 72-5167
General	Special Education	4,591,020	K.S.A. 72-5167
General	At Risk (K-12)	1,277,813	K.S.A. 72-5167
General	Food Service	151,407	K.S.A. 72-5167
General	Textbook and Student Material Revolving	40,587	K.S.A. 72-5167
Supplemental General	Food Service	83,593	K.S.A. 72-5143
Supplemental General	Bilingual Education	25,258	K.S.A. 72-5143
Supplemental General	Special Education	2,000,000	K.S.A. 72-5143
Supplemental General	At Risk (K-12)	428,752	K.S.A. 72-5143
Supplemental General	Career and Postsecondary Education	390,000	K.S.A. 72-5143
Supplemental General	Parent Education	2,000	K.S.A. 72-5143
Supplemental General	Textbook and Student Material Revolving	250,000	K.S.A. 72-5143
Total		$ 10,085,915	

NOTE 8 - Long-Term Debt

The following table summarizes changes in long-term debt for the year ended June 30, 2025:

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
G.O. Bonds To Be Paid With Tax Levies:					
2012 Refunding Series	$ 1,185,000	$ -	$ 130,000	$ 1,055,000	$ 26,225
2013 Refunding Series	5,345,000	-	1,340,000	4,005,000	140,250
2014 Refunding Series	5,105,000	-	1,375,000	3,730,000	151,175
2015 Refunding and Improvement Series	1,705,000	-	840,000	865,000	53,750
2016 Refunding Series	3,705,000	-	-	3,705,000	148,200
2016-B Refunding Series	1,115,000	-	460,000	655,000	20,000
2018 Improvement Series	1,735,000	-	295,000	1,440,000	70,225
2020-B Refunding Series	7,145,000	-	-	7,145,000	132,183
2021 Refunding Series	36,115,000	-	755,000	35,360,000	780,069
2022 Refunding Series	28,160,000	-	260,000	27,900,000	854,915
2020 Refunding Series/2023 Converted Series	615,000	-	200,000	415,000	9,528
2024 Improvement Series	-	60,000,000	-	60,000,000	1,910,787
	91,930,000	60,000,000	5,655,000	146,275,000	4,297,306
Finance Leases					
Apple Computer Equipment	182,798	-	182,798	-	-
	182,798	-	182,798	-	-
Total	$ 92,112,798	$60,000,000	$ 5,837,798	$ 146,275,000	$ 4,297,306

NOTE 8 - Long-Term Debt (Continued)

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2025:

Debt Issue	Date Issued	Maturity Date	Interest Rates	Original Amount	Balance June 30, 2025
G.O. Bonds To Be Paid With Tax Levies:					
2012 Refunding Series	12/20/2012	9/1/2029	2.00 - 3.50%	$ 9,250,000	$ 1,055,000
2013 Refunding Series	3/21/2013	9/1/1930	2.00 - 3.50%	9,995,000	4,005,000
2014 Refunding Series	6/19/2014	9/1/2027	2.00 - 3.50%	9,745,000	3,730,000
2015 Refunding and Improvement Series	6/4/2015	9/1/2030	2.00 - 5.00%	19,615,000	865,000
2016 Refunding Series	1/6/2016	9/1/2028	2.00 - 4.00%	4,355,000	3,705,000
2016-B Refunding Series	6/29/2016	9/1/2026	2.00 - 3.00%	4,445,000	655,000
2018 Improvement Series	12/4/2018	9/1/2039	3.00 - 5.00%	51,560,000	1,440,000
2020 Refunding Series/2023 Converted Series	3/25/2020	9/1/2026	2.44%	1,265,000	415,000
2020-B Refunding Series	3/25/2020	9/1/2029	2.44%	7,145,000	7,145,000
2021 Refunding Series	3/25/2021	9/1/2039	.22% to 2.65%	38,215,000	35,360,000
2022 Refunding Series	4/28/2022	9/1/2035	2.49% to 3.05%	28,695,000	27,900,000
2024 Improvement Series	7/10/2024	9/1/2049	4.50% to 5.50%	60,000,000	60,000,000
				$ 244,285,000	$ 146,275,000

NOTE 8 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 5,835,000	$ 5,285,300	$ 11,120,300
2027	6,020,000	5,100,833	11,120,833
2028	6,240,000	4,931,878	11,171,878
2029	6,320,000	4,615,085	10,935,085
2030	5,535,000	4,440,321	9,975,321
2031 - 2035	31,315,000	19,980,883	51,295,883
2036 - 2040	35,740,000	15,376,572	51,116,572
2041 - 2045	21,645,000	16,530,913	38,175,913
2046 - 2049	27,625,000	3,587,625	31,212,625
	$ 146,275,000	$ 79,849,408	$ 226,124,408

As of June 30, 2025, the remaining principal balance of outstanding debt issues previously defeased is $57,140,000. The principal and interest payments for these bonds will be paid by the trustee for the related escrow securities on the scheduled payment dates. This amount is not recorded in these financial statements.

Legal Debt Margin. The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

UNIFIED SCHOOL DISTRICT NO. 458
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 Budget	Variance Over [Under]
General Funds						
General	$ 24,389,382	$ [1,080,337]	$ 754,828	$ 24,063,873	$ 24,063,873	$ -
Supplemental General	7,893,236	[387,419]	-	7,505,817	7,505,817	-
Special Purpose Funds:						
At Risk (K-12)	1,616,300	-	-	1,616,300	1,616,300	-
Bilingual Education	131,611	-	-	131,611	131,611	-
Virtual Education	697,566	-	-	697,566	649,003	[48,563]
Capital Outlay	4,761,325	-	-	4,761,325	3,387,996	[1,373,329]
Food Service	1,723,700	-	-	1,723,700	1,413,000	[310,700]
Professional Development	151,550	-	-	151,550	101,602	[49,948]
Parent Education	138,100	-	-	138,100	94,994	[43,106]
Special Education	7,273,742	-	-	7,273,742	6,569,007	[704,735]
Special Education Cooperative	11,300,000	-	-	11,300,000	10,997,870	[302,130]
Career and Postsecondary Education	441,500	-	-	441,500	403,966	[37,534]
KPERS Special Retirement Contribution	3,459,530	-	-	3,459,530	2,972,457	[487,073]
Gifts and Grants	60,000	-	-	60,000	4,068	[55,932]
Federal Funds	383,163	-	-	383,163	384,682	1,519
Bond and Interest Fund:						
Bond and Interest	9,952,556	-	-	9,952,556	9,947,306	[5,250]

UNIFIED SCHOOL DISTRICT NO. 458
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State Aid:				
General state aid	$ 17,800,899	$ 19,443,876	$ 20,068,245	$ [624,369]
Special education services aid	3,288,860	3,865,169	4,321,137	[455,968]
Reimbursements and other	838,224	754,828	-	754,828
Total Receipts	21,927,983	24,063,873	$ 24,389,382	$ [325,509]
Expenditures				
Instruction	10,435,326	11,498,505	$ 11,680,010	$ [181,505]
Student support services	1,053,189	1,094,545	1,049,476	45,069
Instructional support staff	319,491	768,692	641,303	127,389
General administration	619,903	582,114	524,000	58,114
School administration	1,412,313	1,732,738	1,654,473	78,265
Central services	674,298	654,194	1,080,110	[425,916]
Operations and maintenance	532,147	260,215	192,162	68,053
Transportation	246,660	243,380	245,000	[1,620]
Community service operations	225,594	323,178	225,000	98,178
Transfers out	6,409,062	6,906,312	7,097,848	[191,536]
Adjustments to comply with legal max	-	-	[1,080,337]	1,080,337
Adjustments for qualifying budget credits	-	-	754,828	[754,828]
Total Expenditures	21,927,983	24,063,873	$ 24,063,873	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 458
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 2,761,291	$ 4,135,662	$ 4,322,589	$ [186,927]
Delinquent taxes	37,393	16,501	7,695	8,806
Motor vehicle taxes	301,666	326,153	263,123	63,030
Recreational vehicle taxes	5,867	5,931	4,973	958
Commercial vehicle taxes	10,895	5,090	9,430	[4,340]
State Aid:				
Supplemental general state aid	3,251,888	3,323,576	3,495,125	[171,549]
Operating transfers	383,922	-	-	-
Total Receipts	6,752,922	7,812,913	$ 8,102,935	$ [290,022]
Expenditures				
Instruction	974,976	1,157,559	$ 1,140,000	$ 17,559
Student support services	82,462	75,253	67,000	8,253
Instructional support services	50,698	42,359	41,000	1,359
General administration	1,000	6,990	1,000	5,990
School administration	114,951	96,609	125,000	[28,391]
Central services	41,800	45,975	56,000	[10,025]
Operations and maintenance	1,614,755	1,901,111	1,829,012	72,099
Vehicle operating services	937,566	962,485	1,015,000	[52,515]
Community service operations	30,818	37,873	35,000	2,873
Operating transfers	2,946,978	3,179,603	3,584,224	[404,621]
Adjustments to comply with legal max	-	-	[387,419]	387,419
Total Expenditures	6,796,004	7,505,817	$ 7,505,817	$ -
Receipts Over [Under] Expenditures	[43,082]	307,096		
Unencumbered Cash, Beginning	145,562	102,480		
Unencumbered Cash, Ending	$ 102,480	$ 409,576		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458
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 Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Operating Transfers	$ 1,447,330	$ 1,706,565	$ 1,618,668	$ 87,897
Total Receipts	1,447,330	1,706,565	$ 1,618,668	$ 87,897
Expenditures				
Instruction	1,447,330	1,616,300	$ 1,616,300	$ -
Total Expenditures	1,447,330	1,616,300	$ 1,616,300	$ -
Receipts Over [Under] Expenditures	-	90,265		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 90,265		

UNIFIED SCHOOL DISTRICT NO. 458
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Operating transfers	$ 115,992	$ 131,743	$ 132,258	$ [515]
Total Receipts	115,992	131,743	$ 132,258	$ [515]
Expenditures				
Instruction	115,992	131,611	$ 131,611	$ -
Total Expenditures	115,992	131,611	$ 131,611	$ -
Receipts Over [Under] Expenditures	-	132		
Unencumbered Cash, Beginning	97	97		
Unencumbered Cash, Ending	$ 97	$ 229		

UNIFIED SCHOOL DISTRICT NO. 458
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Operating transfers	$ 734,399	$ 649,000	$ 703,768	$ [54,768]
Total Receipts	734,399	649,000	$ 703,768	$ [54,768]
Expenditures				
Instruction	508,032	305,306	$ 305,241	$ 65
Student support services	-	-	4,584	[4,584]
School administration	228,591	343,697	254,892	88,805
Central services	-	-	132,849	[132,849]
Total Expenditures	736,623	649,003	$ 697,566	$ [48,563]
Receipts Over [Under] Expenditures	[2,224]	[3]		
Unencumbered Cash, Beginning	2,225	21		
Prior Year Cancelled Encumbrances	20	-		
Unencumbered Cash, Ending	$ 21	$ 18		

UNIFIED SCHOOL DISTRICT NO. 458
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 1,623,063	$ 1,785,885	$ 1,761,474	$ 24,411
Delinquent taxes	22,280	9,385	4,533	4,852
Motor vehicle taxes	189,740	192,107	155,023	37,084
Recreational vehicle taxes	3,489	3,493	2,930	563
Commercial vehicle taxes	6,459	[490]	5,556	[6,046]
Interest on idle funds	779,517	607,259	-	607,259
Reimbursements and other	-	147,065	-	147,065
State aid	640,136	633,075	633,114	[39]
Total Receipts	3,264,684	3,377,779	$ 2,562,630	$ 815,149
Expenditures				
Instruction	1,726,532	1,020,977	$ 1,000,000	$ 20,977
Instructional support staff	-	-	100,000	[100,000]
Student support services	-	-	100,000	[100,000]
General administration	-	-	100,000	[100,000]
School administration	-	-	100,000	[100,000]
Central services	404,441	-	270,000	[270,000]
Operations and maintenance	881,692	1,726,776	2,041,325	[314,549]
Facilities acquisition and construction services	1,497,418	640,243	1,050,000	[409,757]
Total Expenditures	4,510,083	3,387,996	$ 4,761,325	$ [1,373,329]
Receipts Over [Under] Expenditures	[1,245,399]	[10,217]		
Unencumbered Cash, Beginning	3,178,051	2,220,632		
Prior Year Cancelled Encumbrances	287,980	-		
Unencumbered Cash, Ending	$ 2,220,632	$ 2,210,415		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State food service aid	$ 11,666	$ 11,652	$ 9,800	$ 1,852
Federal food service aid	525,392	429,742	633,175	[203,433]
Local receipts	772,767	743,178	825,000	[81,822]
Operating transfers	23,312	235,000	261,000	[26,000]
Total Receipts	1,333,137	1,419,572	$ 1,728,975	$ [309,403]
Expenditures				
Operation and maintenance	46,634	37,430	$ 2,500	$ 34,930
Operation of noninstructional services	3,000	1,000	-	1,000
Food service operation	1,448,342	1,374,570	1,721,200	[346,630]
Total Expenditures	1,497,976	1,413,000	$ 1,723,700	$ [310,700]
Receipts Over [Under] Expenditures	[164,839]	6,572		
Unencumbered Cash, Beginning	167,096	2,257		
Unencumbered Cash, Ending	$ 2,257	$ 8,829		

UNIFIED SCHOOL DISTRICT NO. 458
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 17,641	$ 13,945	$ 15,000	$ [1,055]
Operating transfers	69,398	90,000	146,170	[56,170]
Total Receipts	87,039	103,945	$ 161,170	$ [57,225]
Expenditures				
Instructional support staff	153,283	101,602	151,550	[49,948]
Total Expenditures	153,283	101,602	$ 151,550	$ [49,948]
Receipts Over [Under] Expenditures	[66,244]	2,343		
Unencumbered Cash, Beginning	66,244	-		
Unencumbered Cash, Ending	$ -	$ 2,343		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 51,850	$ 52,500	$ 52,500	$ -
Miscellaneous	3,182	1,521	-	1,521
Operating transfers	25,000	2,000	46,691	[44,691]
Total Receipts	80,032	56,021	$ 99,191	$ [43,170]
Expenditures				
Instructional support staff	120,075	94,994	$ 138,100	$ [43,106]
Total Expenditures	120,075	94,994	$ 138,100	$ [43,106]
Receipts Over [Under] Expenditures	[40,043]	[38,973]		
Unencumbered Cash, Beginning	82,072	42,029		
Unencumbered Cash, Ending	$ 42,029	$ 3,056		

UNIFIED SCHOOL DISTRICT NO. 458
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Operating transfers	$ 6,136,489	$ 6,591,020	$ 7,276,557	$ [685,537]
Total Receipts	6,136,489	6,591,020	$ 7,276,557	$ [685,537]
Expenditures				
Instruction	3,288,860	2,552,023	$ 6,149,692	$ [3,597,669]
Student support services	2,149,825	2,979,717	-	2,979,717
General administration	-	12,566	-	12,566
Vehicle operating services	1,055,415	1,024,701	1,124,050	[99,349]
Total Expenditures	6,494,100	6,569,007	$ 7,273,742	$ [704,735]
Receipts Over [Under] Expenditures	[357,611]	22,013		
Unencumbered Cash, Beginning	336,057	2,987		
Prior Year Cancelled Encumbrances	24,541	-		
Unencumbered Cash, Ending	$ 2,987	$ 25,000		

UNIFIED SCHOOL DISTRICT NO. 458
Special Education Cooperative Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid:				
Special education grants to states	$ 4,239,444	$ 4,004,627	$ 1,133,313	$ 2,871,314
Special education preschool grants	-	18,283	-	18,283
Medicaid	165,446	73,642	-	73,642
Payments from cooperative members	3,715,450	5,100,450	10,021,782	[4,921,332]
State aid flow through from members	1,851,695	1,830,001	-	1,830,001
Other revenue from local sources	42,013	-	42,000	[42,000]
Total Receipts	10,014,048	11,027,003	$ 11,197,095	$ [170,092]
Expenditures				
Instruction	6,670,464	7,277,000	$ 7,758,166	$ [481,166]
Student support services	2,787,798	3,075,882	2,959,910	115,972
General administration	556,141	591,554	523,809	67,745
School administration	-	2,201	-	2,201
Central services	-	49,861	56,965	[7,104]
Operations and maintenance	1,129	1,372	1,150	222
Total Expenditures	10,015,532	10,997,870	$ 11,300,000	$ [302,130]
Receipts Over [Under] Expenditures	[1,484]	29,133		
Unencumbered Cash, Beginning	32,088	102,905		
Prior Year Cancelled Encumbrances	72,301	-		
Unencumbered Cash, Ending	$ 102,905	$ 132,038		

UNIFIED SCHOOL DISTRICT NO. 458
Carer and Post-Secondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 6,328	$ 20,076	$ 6,750	$ 13,326
Operating transfers	477,827	390,000	436,000	[46,000]
Total Receipts	484,155	410,076	$ 442,750	$ [32,674]
Expenditures				
Instruction	515,517	404,134	$ 441,500	$ [37,366]
Instructional support staff	-	[168]	-	[168]
Total Expenditures	515,517	403,966	$ 441,500	$ [37,534]
Receipts Over [Under] Expenditures	[31,362]	6,110		
Unencumbered Cash, Beginning	31,362	-		
Unencumbered Cash, Ending	$ -	$ 6,110		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458
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 Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State Aid:				
KPERS Employer Contributions	$ 3,008,287	$ 2,972,457	$ 3,459,530	$ [487,073]
Total Receipts	3,008,287	2,972,457	$ 3,459,530	$ [487,073]
Expenditures				
Instruction	1,996,028	1,946,182	$ 2,295,432	$ [349,250]
Student support services	399,802	398,716	459,772	[61,056]
Instructional support services	58,284	75,404	67,026	8,378
General administration	101,890	97,622	117,173	[19,551]
School administration	210,433	214,071	241,997	[27,926]
Central services	69,639	66,863	80,084	[13,221]
Operations and maintenance	118,411	117,894	136,172	[18,278]
Transportation	4,653	3,313	5,351	[2,038]
Food service	49,147	43,167	56,523	[13,356]
Community service operations	-	9,225	-	9,225
Total Expenditures	3,008,287	2,972,457	$ 3,459,530	$ [487,073]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 458
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Grants and donations	$ 7,382	$ 1,111	$ 62,968	$ [61,857]
Total Receipts	7,382	1,111	$ 62,968	$ [61,857]
Expenditures				
Instruction	142	4,068	$ 60,000	$ [55,932]
Total Expenditures	142	4,068	$ 60,000	$ [55,932]
Receipts Over [Under] Expenditures	7,240	[2,957]		
Unencumbered Cash, Beginning	55,729	63,270		
Prior Year Cancelled Encumbrances	301	-		
Unencumbered Cash, Ending	$ 63,270	$ 60,313		

UNIFIED SCHOOL DISTRICT NO. 458
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Operating transfers	$ -	$ -
Total Receipts	-	-
Expenditures		
Operating transfers	383,922	-
Total Expenditures	383,922	-
Receipts Over [Under] Expenditures	[383,922]	-
Unencumbered Cash, Beginning	1,320,211	936,289
Unencumbered Cash, Ending	$ 936,289	$ 936,289

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 458
Textbook and Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Fees and other	$ 197,616	$ 201,325
Operating transfers	326,293	290,587
Total Receipts	523,909	491,912
Expenditures		
Instruction	651,614	449,966
Instructional support staff	1,242	1,327
Total Expenditures	652,856	451,293
Receipts Over [Under] Expenditures	[128,947]	40,619
Unencumbered Cash, Beginning	129,013	66
Unencumbered Cash, Ending	$ 66	$ 40,685

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 458
Federal Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Title I	Title II-A
Receipts		
Federal aid	$ 165,397	$ 46,102
Total Receipts	165,397	46,102
Expenditures		
Instruction	163,897	46,102
Student support services	-	-
Instructional support staff	-	-
Transportation	1,500	-
Total Expenditures	165,397	46,102
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

CARES Act	Title IV 21st Century	Actual	Budget	Variance Over [Under]
$ 155,588	$ 17,523	$ 384,610	$ 383,092	$ 1,518
155,588	17,523	384,610	$ 383,092	$ 1,518
152,841	17,595	380,435	$ 296,140	$ 84,295
-	-	-	67,523	[67,523]
-	-	-	19,500	[19,500]
2,747	-	4,247	-	4,247
155,588	17,595	384,682	$ 383,163	$ 1,519
-	[72]	[72]		
-	72	72		
$ -	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 458
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 5,503,424	$ 6,074,261	$ 5,990,052	$ 84,209
Delinquent taxes	73,218	31,308	15,336	15,972
Motor vehicle taxes	614,654	649,991	524,361	125,630
Recreational vehicle taxes	11,297	11,820	9,912	1,908
Commercial vehicle tax	21,211	10,148	18,793	[8,645]
State aid	2,144,739	1,869,961	1,869,961	-
Operating transfers	3,647,487	-	-	-
Total Receipts	12,016,030	8,647,489	$ 8,428,415	$ 219,074
Expenditures				
Debt Service:				
Bond principal	5,445,000	5,650,000	$ 5,655,000	$ [5,000]
Bond interest	2,548,765	4,297,306	4,297,306	-
Bond fees	250	-	250	[250]
Total Expenditures	7,994,015	9,947,306	$ 9,952,556	$ [5,250]
Receipts Over [Under] Expenditures	4,022,015	[1,299,817]		
Unencumbered Cash, Beginning	7,401,297	11,423,312		
Unencumbered Cash, Ending	$ 11,423,312	$ 10,123,495		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458
Special Assessment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 16,826	$ 17,943	$ 17,899	$ 44
Delinquent taxes	253	100	47	53
Motor vehicle taxes	2,220	2,003	1,605	398
Recreational vehicle taxes	41	36	30	6
Commercial vehicle taxes	73	31	58	[27]
Total Receipts	19,413	20,113	$ 19,639	$ 474
Expenditures				
Principal	19,619	19,618	$ 19,618	$ -
Total Expenditures	19,619	19,618	$ 19,618	$ -
Receipts Over [Under] Expenditures	[206]	495		
Unencumbered Cash, Beginning	18,100	17,894		
Unencumbered Cash, Ending	$ 17,894	$ 18,389		

UNIFIED SCHOOL DISTRICT NO. 458
Bond Construction Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Bond proceeds	$ -	$ 63,122,587
Interest on idle funds	-	1,581,580
Total Receipts	-	64,704,167
Expenditures		
New building acquisition and construction	-	7,452,363
Building improvements	-	4,338,326
Bond issuance costs	-	829,100
Total Expenditures	-	12,619,789
Receipts Over [Under] Expenditures	-	52,084,378
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ 52,084,378

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 458
Bond Construction II Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Bond proceeds	$ -	$ -
Total Receipts	-	-
Expenditures		
Building improvements	638,583	-
Land acquisition	5,834	-
Operating transfers	3,647,487	-
Total Expenditures	4,291,904	-
Receipts Over [Under] Expenditures	[4,291,904]	-
Unencumbered Cash, Beginning	4,286,920	-
Prior Year Cancelled Encumbrances	4,984	-
Unencumbered Cash, Ending	$ -	$ -

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 458
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Basehor-Linwood High School				
Band	$ 7,388	$ 33,628	$ 32,331	$ 8,685
BLEF Grant	2,194	2,944	2,830	2,308
Cheerleaders	2,439	31,830	28,932	5,337
Chorus	723	3,672	3,518	877
Freshman Class	10	2,110	2,120	-
Sophomore Class	2,298	2,430	2,700	2,028
Junior Class	4,368	9,351	9,174	4,545
Senior Class	6,450	12,632	20,037	[955]
Counseling	544	1,260	1,110	694
Dance Squad	6,451	13,421	19,533	339
FBLA	2,500	12,218	13,229	1,489
FCCLA	604	4,506	3,488	1,622
Forensics	4,234	2,737	2,933	4,038
GR/Gold Threads	2,869	5,546	7,976	439
Green House	2,412	-	649	1,763
GSA	309	-	-	309
Innov Academy	5,920	4,793	4,535	6,178
International Club	669	125	212	582
JAG	2,517	1,000	1,073	2,444
Language Arts Club	353	-	27	326
Leadership	80	-	-	80
Marketing	95	-	-	95
Math Club	45	-	-	45
National Honor Society	54	-	-	54
Principal's Advisory	32,066	33,757	19,614	46,209
Rebel	27	-	-	27
Robotics	3,052	9,307	9,543	2,816
SADD	723	-	-	723
School Store	323	8,754	7,531	1,546
Scholars Bowl	56	898	470	484
Science Club	921	-	-	921
Science Olympiad	310	-	-	310
Spirit Club	145	-	-	145
Strings	215	849	849	215
Student Council	8,927	3,817	5,600	7,144
UCS	2,841	-	94	2,747
TSA	6,465	12,221	10,966	7,720
HOSA	3,717	1,103	854	3,966
Mass Production	3,317	-	-	3,317
Theater	8,897	9,319	8,586	9,630
ED Rising	77	2,296	1,799	574
Total Basehor-Linwood High School	127,605	226,524	222,313	131,816

UNIFIED SCHOOL DISTRICT NO. 458
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Basehor-Linwood Middle School				
Band	$ 145	$ 1,027	$ 1,088	$ 84
BLEF Grant	7,973	4,535	3,985	8,523
Cheerleading	1,293	55	345	1,003
Chorus	614	941	905	650
Dance Squad	2,882	3,474	3,219	3,137
Hardship	1,281	-	-	1,281
Heartland Grant	4,329	-	-	4,329
Library	1,104	10	-	1,114
Pop Machine	678	602	592	688
Principal's Advisory Club	8,957	20,016	24,950	4,023
Student Council	9,402	4,948	2,797	11,553
Theater	2,988	3,091	4,559	1,520
Yearbook/Journal	3,954	11,776	11,744	3,986
Total Basehor-Linwood Middle School	45,600	50,475	54,184	41,891
Basehor Intermediate School				
BLEF Grant	997	2,140	2,396	741
O.W.L.S	207	-	-	207
Principal Advisory	35,502	19,132	16,021	38,613
School Shirts	488	-	-	488
Social Committee	226	415	152	489
Student Council	1,204	469	814	859
Technology	89	-	-	89
Total Basehor Intermediate School	38,713	22,156	19,383	41,486
Basehor Elementary School				
Principal's Activities	10,031	4,167	4,211	9,987
OWLS	320	-	50	270
Social Committee	503	575	245	833
Student Council	125	392	176	341
Total Basehor Elementary School	10,979	5,134	4,682	11,431

UNIFIED SCHOOL DISTRICT NO. 458
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Glenwood Ridge Elementary School				
1st Grade	$ 364	$ 1,107	$ 1,071	$ 400
2nd Grade	431	679	696	414
3rd Grade	1,103	1,927	1,762	1,268
4th Grade	585	1,105	1,075	615
5th Grade	53	826	875	4
BLEF Grant	87	1,375	1,332	130
Kindergarten	126	365	383	108
O.W.L.S	36	-	-	36
Library	3,794	3,857	5,571	2,080
Principal's Advisory	10,495	10,557	11,524	9,528
Social/Flower Fund	2	590	108	484
Student Council	1,416	195	261	1,350
Student Hardship Grant	5,429	-	315	5,114
Student Planner	559	35	-	594
Total Glenwood Ridge Elementary School	24,480	22,618	24,973	22,125
Linwood Elementary School				
Accelerated Reader	4	-	-	4
BLEF Grant	1,206	3,207	3,640	773
Library	213	-	-	213
Principal's Advisory	11,550	21,945	22,775	10,720
Student Recognition	62	-	-	62
Student Council	57	-	-	57
Total Linwood Elementary School	13,092	25,152	26,415	11,829
Gray Hawk Elementary School				
BLEF Grant	1,129	2,359	720	2,768
Principals Advisory	9,798	1,104	5,555	5,347
Social Committee	363	-	254	109
Student Council	106	-	-	106
Total Gray Hawk Elementary School	11,396	3,463	6,529	8,330
Total Agency Funds	$ 271,865	$ 355,522	$ 358,479	$ 268,908

UNIFIED SCHOOL DISTRICT NO. 458
District Activities - Gate Receipts and School Project Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

FUND	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
Basehor-Linwood High School	$ 134,775	$ 354,153	$ 312,636	$ 176,292	$ -	$ 176,292
Basehor-Linwood Middle School	4,993	36,691	30,719	10,965	-	10,965
Total Gate Receipts	139,768	390,844	343,355	187,257	-	187,257
School Projects:						
Basehor-Linwood High School	73,666	330,887	304,974	99,579	-	99,579
Total Basehor-Linwood High School	73,666	330,887	304,974	99,579	-	99,579
Basehor-Linwood Middle School	13,784	143,386	146,713	10,457	-	10,457
Total Basehor-Linwood Middle School	13,784	143,386	146,713	10,457	-	10,457
Basehor Intermediate School	9,282	34,285	35,904	7,663	-	7,663
Total Basehor Intermediate School	9,282	34,285	35,904	7,663	-	7,663
Basehor Elementary School	10,181	30,842	32,058	8,965	-	8,965
Total Basehor Elementary School	10,181	30,842	32,058	8,965	-	8,965
Glenwood Ridge Elementary School	3,451	33,919	33,394	3,976	-	3,976
Total Glenwood Ridge Elementary School	3,451	33,919	33,394	3,976	-	3,976
Linwood Elementary School	5,492	30,472	32,839	3,125	-	3,125
Total Linwood Elementary School	5,492	30,472	32,839	3,125	-	3,125
Gray Hawk Elementary School	4,115	40,154	39,379	4,890	-	4,890
Total Gray Hawk Elementary School	4,115	40,154	39,379	4,890	-	4,890
Total School Projects	119,971	643,945	625,261	138,655	-	138,655
Total District Activity Funds	$ 259,739	$ 1,034,789	$ 968,616	$ 325,912	$ -	$ 325,912

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Special Education (IDEA) Cluster					
Special Education Grants to States	84.027	$ -	$ 1,452,970	$ 1,452,970	$ -
Special Education - Preschool Grants	84.173	-	17,916	17,916	-
Total Special Education (IDEA) Cluster			1,470,886	1,470,886	
Title I Grants to Local Educational Agencies	84.010	-	165,397	165,397	-
Improving Teacher Quality State Grants	84.367	-	46,102	46,102	-
Student Support & Academic Enrichment Program	84.424	-	17,523	17,595	[72]
Education Stabilization Fund	84.425	-	155,588	155,588	-
Total U.S. Department of Education			1,855,496	1,855,568	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster					
School Breakfast Program	10.553	-	64,996	64,996	-
National School Lunch Program	10.555	-	336,154	336,154	-
Summer Food Service Program for Children	10.559	-	64,424	64,424	-
Total Child Nutrition Cluster			465,574	465,574	
Total U.S. Department of Agriculture			465,574	465,574	
Total Expenditures of Federal Awards			$ 2,321,070	$ 2,321,142	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458

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

1. Organization

Unified School District No. 458, Basehor, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the Kansas regulatory basis of accounting, which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position as of June 30, 2025.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants as of June 30, 2025.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 458
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified - Regulatory Basis Adverse - GAAP			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance		Yes	X	No

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.027, 84.173	Special Education (IDEA) Cluster

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

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 458
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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

Board of Education
Unified School District No. 458
Basehor, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 458 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 12, 2025

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

Board of Education
Unified School District No. 458
Basehor, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 458, Basehor, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion of the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgement and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 12, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 12, 2025