SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 321

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

JUNE 30, 2025

Table of Contents

	Page Number
Independent Auditor's Report	1 - 4
FINANCIAL STATEMENT:	
STATEMENT 1	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)	5 - 6
Notes to the Financial Statement	7 - 14
SCHEDULE 1	
Summary of Expenditures – Actual and Budget (Regulatory Basis)	15
SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)	
General Fund	16
Supplemental General Fund	17
Capital Outlay Fund	18
Driver Training Fund	19
Food Service Fund	20
Bilingual Education Fund	21
Professional Development Fund	22
Parent Education Fund	23
Special Education Fund	24
Career and Postsecondary Education Fund	25
At Risk (4 Year Old) Fund	26
At Risk (K-12) Fund	27
KPERS Special Retirement Contribution Fund	28
Contingency Reserve Fund	29
Textbook and Student Material Revolving Fund	30
Title I Fund	31
Title II-A Fund	32
Title IV-A Student Services Fund	33
Title VI-B Discretionary Fund	34
Title VI-B Pass Thru Fund	35
Title VI-B Preschool Fund	36
ESSER CARES Fund	37
COVID Testing Grant Fund	38
KPP Grant Fund	39
Gifts and Grants Fund	40
Teacher Apprentice Fund	41
Safe Schools Fund	42
Construction Fund	43

Table of Contents

	Page Number
SCHEDULE 2	
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)	
Bond and Interest Fund	44
Scholarship Fund	45
SCHEDULE 3	
Summary of Receipts and Disbursements (Regulatory Basis) Agency Funds	46 - 47
SCHEDULE 4	
Schedule of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis) District Activity Funds	48
SINGLE AUDIT SECTION:	
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*	49 - 50
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	51 - 53
Schedule of Findings and Questioned Costs	54 - 56
Summary Schedule of Prior Year Audit Findings	57
SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures of Federal Awards	58 - 59
Notes to the Schedule of Expenditures of Federal Awards	60

SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Education
Unified School District No. 321
St. Marys, 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. 321, St. Marys, 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. 321, 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. 321, 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 (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. 321, as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated February 25, 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/accounts-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 Tile 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 24, 2026, on our consideration of Unified School District No. 321'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. 321'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. 321's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
March 24, 2026

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	$ -	$ 10,339,065	$ 10,283,077	$ 55,988	$ 91,922	$ 147,910
Supplemental General	529,762	3,472,393	3,383,896	618,259	58,342	676,601
Special Purpose Funds:						
Capital Outlay	306,461	3,799,957	3,653,496	452,922	354,667	807,589
Driver Training	52,380	22,972	35,499	39,853	-	39,853
Food Service	205,647	1,050,451	1,129,157	126,941	34,750	161,691
Bilingual Eduction	1,283	340	1,623	-	-	-
Professional Development	3,870	-	-	3,870	-	3,870
Parent Education	-	-	-	-	-	-
Special Education	4,386	3,617,249	3,621,358	277	27,591	27,868
Career and Post Secondary Education	827	539,261	539,291	797	35,717	36,514
At Risk (4 Year Old)	-	11,000	11,000	-	-	-
At Risk (K-12)	484	1,044,893	1,044,005	1,372	-	1,372
KPERS Special Retirement Contribution	-	1,355,260	1,355,260	-	-	-
Contingency Reserve	290,870	155,061	-	445,931	-	445,931
Textbook and Student Material Revolving	13,243	31,832	21,837	23,238	10,146	33,384
Title I	-	179,909	179,385	524	6,013	6,537
Title II-A	2,411	46,112	42,767	5,756	25,940	31,696
Title IV-A Student Services	-	19,354	19,354	-	-	-
Title VI-B Discretionary	-	12,978	12,978	-	-	-
Title VI-B Pass Thru	326	263,723	260,379	3,670	10,007	13,677
Title VI-B Preschool	3,363	-	91	3,272	-	3,272

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
ESSER CARES Funds	$ 534	$ 455,242	$ 455,776	$ -	$ -	$ -
COVID Testing Grant	217	30,071	30,288	-	-	-
KPP Grant	105	125,000	124,820	285	-	285
Gifts and Grants	2,153	23,915	23,417	2,651	-	2,651
Teacher Apprentice Grant	-	58,394	58,394	-	-	-
Safe Schools	-	15,000	15,000	-	15,000	15,000
District Activity Funds	136,474	534,431	534,826	136,079	-	136,079
Capital Project Fund:						
Construction	102	-	-	102	-	102
Bond and Interest Fund:						
Bond and Interest	96	-	-	96	-	96
Trust Fund:						
Scholarship	2,715	-	150	2,565	-	2,565
Total Reporting Entity (Excluding Agency Funds)	$ 1,557,709	$ 27,203,863	$ 26,837,124	$ 1,924,448	$ 670,095	$ 2,594,543
Composition of Cash:						
Checking and Savings Accounts						$ 2,756,089
Agency Funds per Schedule 3						(161,546)
Total Reporting Entity (Excluding Agency Funds)						$ 2,594,543

1. REPORTING ENTITY

Unified School District No. 321 (the District) is a municipal corporation governed by a citizen-elected seven-member Board of Education.

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(c), 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 lather 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 the 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:

Contingency Reserve Fund	Title IV-A Student Services Fund	KPP Grant Fund
Textbook and Student	Title VI-B Discretionary Fund	COVID Testing Grant Fund
Material Revolving Fund	Title VI-B Pass Thru Fund	District Activity Funds
Title I Fund	Title VI-B Preschool Fund	Gifts and Grants Fund
Title II-A Fund	ESSER CARES Fund	Safe Schools Fund
Teacher Apprentice Grant Fund		

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

4. 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 deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

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

Deposits. At June 30, 2025, the District's carrying amount of deposits was $2,756,089 and the bank balance was $4,098,855. 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 $3,848,855 was collateralized with securities held by the pledging financial institutions agents in the District's name.

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-5167	$ 2,289,173
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	306,000
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	783,575
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	155,061
General Fund	Special Reserve Fund	K.S.A. 72-5167	153,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	1,206,221
Supplemental General Fund	Bilingual Education	K.S.A. 72-5143	340
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	210,000
Supplemental General Fund	At Risk (4 Yr Old) Fund	K.S.A. 72-5143	11,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	261,318

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

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

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

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 $1,355,260 for the year ended June 30, 2025.

Net Pension Liability

At June 30, 2025, the District's proportionate share of the net collective pension liability reported by KPERS was $13,125,581. 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.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Sick Leave. The District provides sick leave for classified staff. Classified staff are allowed 12 days of sick leave per year after two consecutive months of employment. These may be accumulated to 60 days, with the use of the additional 12 days allowed for those with maximum accumulation of leave.

Classified employees will be paid for accumulated unused sick leave upon retirement, resignation, long-term disability, or death with a minimum accumulation of 145 hours (max of 480 hours) at a rate of 10% of current employee's hourly rate of pay.

Personal Leave. The District provides personal leave to classified staff. Classified staff are allowed two days per year, accumulative to three days.

Vacation Leave. The District provides vacation leave to classified personnel after one year of service and does not accumulate. Employees leaving the District shall be paid for accrued vacation time at their regular daily rate. This leave is earned at the following rates:

Years of Service	Universal Leave
1-5 Years	10 days
6-10 Years	11 days
Over 11 Years	12 days

Universal Leave. Certified staff are granted universal leave which includes days previously termed sick personal, and flex leave. The max accumulation is 40 days The universal leave is earned at the following rates:

Years of Service	Vacation Time
1-5 Years	10 days
6-15 Years	15 days
Over 15 Years	20 days

Teachers using one or fewer universal leave days during the school year will receive a bonus of $100. Payment for non-used universal leave is based on a minimum accumulation of 20 days to become eligible for payment. Payments to the individual is to be made upon retirement, reduction in force, resignation (prior to June 1 of contract year), death, or long-term disability. The payment rate is based on 100% of accumulated days at the rate of $50 per day.

At the end of the school year any teach with a minimum of 20 universal leave days can sell back days over 20 days at a rate of $50 per day. Any accumulated universal leave days over 40 must be sold back to the district at $50 per day.

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 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.

Termination Benefits. The District provides an early retirement program for certain eligible employees. An employee is eligible for early retirement if such employee (a) is currently a full-time employee of the school district, (b) is not eligible to receive full social security benefits and is retired or disabled according to the provisions of KPERS, (c) has ten or more years of full time employment service with USD 321, (d) has fully terminated contractual employment with USD 321, and (e) files an application to receive early retirement benefits in writing which shall be submitted on or before the January 5th, preceding the anticipated retirement date and includes all of the information required to be include. Those eligible under this program may receive benefits for up to five years.

The District provides a retirement plan for eligible employees. Written notification must be given to the Superintendent on or before January 5th of the current contract year for certified staff to be eligible for this retirement benefit. Teachers and classified staff retiring from service to the district will receive a retirement supplement of not less than 30 days salary and not more than 50 days salary, based on years of service to the district. In order to be eligible for this benefit, employees must have served the district for at least 10 years and be eligible for KPERS full retirement or permanent disability benefits and, in addition, actually be receiving disability or retirement benefits according to KPERS.

7. RISKS 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.

The District is self-insured to provide group medical coverage. A third party administers the group medical coverage for the District. The District funds its losses based on actual claims. A stop-loss insurance contract executed with an insurance carrier covers individual claims in excess of a set amount per plan year. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed insurance coverage for the last three years.

8. RELATED PARTIES

During the year ended June 30, 2025, there were four employees related to various board members and one employee related to the superintendent.

9. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2025 through March 24, 2026, the date the financial statement was available to be issued, and determined that no subsequent events have occurred that would require recognition in the financial statements.

In October 2025, the District entered into a lease purchase agreement in the amount of $6,004,000 with Stockgrowers State Bank to fund building renovations. The obligation carries an interest rate of 4.490% and is scheduled for repayment by February 2031.

The District is aware of one claim that is currently being investigated. As of the date of this report, no lawsuit has been filed as a result of the claim, and the potential outcome cannot be estimated.

10. LONG-TERM DEBT

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Finance Leases									
Bus Lease	4.95%	7/19/2023	$ 855,000	2/15/2026	$ 572,039	$ -	$ 278,979	$ 293,060	$ 28,788
Copier Lease	0.00%	6/13/2024	154,500	6/15/2029	154,500	-	30,900	123,600	-
Total Contractual Indebtedness					$ 726,539	$ -	$ 309,879	$ 416,660	$ 28,788

Current maturities of long-term debt and interest for the next five years is as follows:

	2026	2027	2028	2029	Total
Principal					
Bus Lease	$ 293,060	$ -	$ -	$ -	$ 293,060
Copier Lease	30,900	30,900	30,900	30,900	123,600
Total Principal	323,960	30,900	30,900	30,900	416,660
Interest					
Bus Lease	14,708	-	-	-	14,708
Total Principal and Interest	$ 338,668	$ 30,900	$ 30,900	$ 30,900	$ 431,368

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 1

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	$ 10,800,637	$ (602,873)	$ 141,301	$ 10,339,065	$ 10,283,077	$ (55,988)
Supplemental General	3,603,965	(201,382)	-	3,402,583	3,383,896	(18,687)
Special Purpose Funds:						
Capital Outlay	3,653,496	-	-	3,653,496	3,653,496	-
Driver Training	36,000	-	-	36,000	35,499	(501)
Food Service	1,276,954	-	-	1,276,954	1,129,157	(147,797)
Bilingual Education	2,500	-	-	2,500	1,623	(877)
Professional Development	-	-	-	-	-	-
Parent Education	-	-	-	-	-	-
Special Education	3,934,848	-	-	3,934,848	3,621,358	(313,490)
Career and Post Secondary Education	583,922	-	-	583,922	539,291	(44,631)
At Risk (4 Year Old)	11,000	-	-	11,000	11,000	-
At Risk (K-12)	1,217,561	-	-	1,217,561	1,044,005	(173,556)
KPERS Special Retirement Contribution	1,515,686	-	-	1,515,686	1,355,260	(160,426)

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
General State Aid	$ 7,764,312	$ 8,236,645	$ 8,764,999	$ (528,354)
Special Education Services Aid	1,697,225	1,961,119	2,033,800	(72,681)
Reimbursements and Other	209,567	141,301	-	141,301
Total Receipts	9,671,104	10,339,065	$ 10,798,799	$ (459,734)
Expenditures				
Instruction	4,312,497	4,657,038	$ 4,847,556	$ (190,518)
Instructional Support Staff	201,927	273,625	233,967	39,658
General Administration	310,205	321,279	352,700	(31,421)
School Administration	809,151	809,940	858,700	(48,760)
Operations and Maintenance	13,623	21,801	-	21,801
Vehicle Operating Service	404,226	512,585	452,000	60,585
Operating Transfers	3,619,475	3,686,809	4,055,714	(368,905)
Adjustment to Comply with Legal Max	-	-	(602,873)	602,873
Legal General Fund Budget	9,671,104	10,283,077	10,197,764	85,313
Adjustment for Qualifying Budget Credits	-	-	141,301	(141,301)
Total Expenditures	9,671,104	10,283,077	$ 10,339,065	$ (55,988)
Receipts Over (Under) Expenditures	-	55,988		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 55,988		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	$ 3,293,335	$ 3,382,026	$ 2,919,616	$ 462,410
Delinquent Tax	6,681	8,131	7,787	344
Motor Vehicle Tax	65,225	77,103	-	77,103
16/20 Tax	2,224	2,522	68,238	(65,716)
Recreational Vehicle Tax	1,505	1,611	5,673	(4,062)
Other	4,168	1,000	-	1,000
Total Receipts	3,373,138	3,472,393	$ 3,001,314	$ 471,079
Expenditures				
Instruction	1,103,246	983,359	$ 1,277,107	$ (293,748)
Student Support Services	24	90,732	-	90,732
Operations and Maintenance	638,455	620,926	745,000	(124,074)
Operating Transfers	1,465,697	1,688,879	1,581,858	107,021
Adjustment to Comply with Legal Max	-	-	(201,382)	201,382
Total Expenditures	3,207,422	3,383,896	$ 3,402,583	$ (18,687)
Receipts Over (Under) Expenditures	165,716	88,497		
Unencumbered Cash, Beginning	364,046	529,762		
Unencumbered Cash, Ending	$ 529,762	$ 618,259		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 3,431,735	$ 3,299,291	$ 3,014,938	$ 284,353
Delinquent	7,520	8,792	8,109	683
Motor Vehicle Tax	77,337	84,586	4,642	79,944
16/20 Tax	1,860	2,058	75,251	(73,193)
Recreational Vehicle Tax	1,789	1,776	1,614	162
Other	14,234	403,454	10,000	393,454
Total Receipts	3,534,475	3,799,957	$ 3,114,554	$ 685,403
Expenditures				
Instruction	500,949	556,428	$ 540,996	$ 15,432
Student Support Services	26,858	-	30,000	(30,000)
Operations and Maintenance	2,236,896	2,092,319	1,922,500	169,819
Transportation	427,079	519,125	510,000	9,125
Architectural and Engineering Services	419,829	485,624	650,000	(164,376)
Total Expenditures	3,611,611	3,653,496	$ 3,653,496	$ -
Receipts Over (Under) Expenditures	(77,136)	146,461		
Unencumbered Cash, Beginning	383,597	306,461		
Unencumbered Cash, Ending	$ 306,461	$ 452,922		

UNIFIED SCHOOL DISTRICT NO. 321
DRIVER TRAINING 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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
State Safety Aid	$ 9,425	$ 8,700	$ 10,125	$ (1,425)
Other	11,736	14,272	15,000	(728)
Total Receipts	21,161	22,972	$ 25,125	$ (2,153)
Expenditures				
Instruction	11,987	20,622	$ 19,500	$ 1,122
Vehicle Operations and Maintenance	6,013	14,877	16,500	(1,623)
Total Expenditures	18,000	35,499	$ 36,000	$ (501)
Receipts Over (Under) Expenditures	3,161	(12,527)		
Unencumbered Cash, Beginning	49,219	52,380		
Unencumbered Cash, Ending	$ 52,380	$ 39,853		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
Food Service Aid	$ 6,152	$ 5,581	$ 8,600	$ (3,019)
Federal Aid:				
Child Nutrition Cluster	753,527	721,360	582,940	138,420
Local Receipts	262,649	280,267	466,250	(185,983)
Other	61,394	43,243	45,000	(1,757)
Total Receipts	1,083,722	1,050,451	$ 1,102,790	$ (52,339)
Expenditures				
Operations and Maintenance	78,822	4,992	$ 81,000	$ (76,008)
Food Service Operation	1,044,441	1,124,165	1,195,954	(71,789)
Total Expenditures	1,123,263	1,129,157	$ 1,276,954	$ (147,797)
Receipts Over (Under) Expenditures	(39,541)	(78,706)		
Unencumbered Cash, Beginning	245,188	205,647		
Unencumbered Cash, Ending	$ 205,647	$ 126,941		

UNIFIED SCHOOL DISTRICT NO. 321
BILINGUAL 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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 1,283	$ 340	$ 2,500	$ (2,160)
Expenditures				
Instruction	-	1,623	$ 2,500	$ (877)
Receipts Over (Under) Expenditures	1,283	(1,283)		
Unencumbered Cash, Beginning	-	1,283		
Unencumbered Cash, Ending	$ 1,283	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ -	$ -	$ -	$ -
Expenditures				
Instructional Support Staff	-	-	$ -	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	3,870	3,870		
Unencumbered Cash, Ending	$ 3,870	$ 3,870		

UNIFIED SCHOOL DISTRICT NO. 321
PARENT 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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 15,585	$ -	$ -	$ -
Operating Transfers	14,765	-	-	-
Total Receipts	30,350	-	$ -	$ -
Expenditures				
Instruction	1,920	-	$ -	$ -
Student Support Services	29,249	-	-	-
Instructional Support Staff	-	-	-	-
Total Expenditures	31,169	-	$ -	$ -
Receipts Over (Under) Expenditures	(819)	-		
Unencumbered Cash, Beginning	819	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid:				
Medical Assistance Program (Medicaid)	$ 87,947	$ 14,236	$ 280,000	$ (265,764)
Other Federal Funds	377	-	100,000	(100,000)
Other Revenue from Local Sources	1,698	2,256	3,000	(744)
Interest	82,975	105,363	75,000	30,363
Operating Transfers	3,157,225	3,495,394	3,469,681	25,713
Total Receipts	3,330,222	3,617,249	$ 3,927,681	$ (310,432)
Expenditures				
Instruction	2,479,733	2,773,025	$ 2,562,000	$ 211,025
Student Support Services	485,551	478,849	673,933	(195,084)
Instructional Support Staff	46,577	15,185	58,804	(43,619)
School Administration	250,996	262,511	267,250	(4,739)
Student Transportation Service	85,978	91,788	372,861	(281,073)
Total Expenditures	3,348,835	3,621,358	$ 3,934,848	$ (313,490)
Receipts Over (Under) Expenditures	(18,613)	(4,109)		
Unencumbered Cash, Beginning	22,999	4,386		
Unencumbered Cash, Ending	$ 4,386	$ 277		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid and Other	$ 26,119	$ 23,261	$ 28,095	$ (4,834)
Operating Transfers	448,000	516,000	555,000	(39,000)
Total Receipts	474,119	539,261	$ 583,095	$ (43,834)
Expenditures				
Instruction	474,035	539,291	$ 583,922	$ (44,631)
Receipts Over (Under) Expenditures	84	(30)		
Unencumbered Cash, Beginning	743	827		
Unencumbered Cash, Ending	$ 827	$ 797		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 11,000	$ 11,000	$ 11,000	$ -
Expenditures				
Instruction	11,000	11,000	$ 11,000	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 1,095,626	$ 1,044,893	$ 1,217,077	$ (172,184)
Expenditures				
Instruction	1,170,861	1,044,005	$ 1,217,561	$ (173,556)
Receipts Over (Under) Expenditures	(75,235)	888		
Unencumbered Cash, Beginning	75,719	484		
Unencumbered Cash, Ending	$ 484	$ 1,372		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
KPERS State Aid	$ 1,406,669	$ 1,355,260	$ 1,515,686	$ (160,426)
Expenditures				
KPERS Retirement	1,406,669	1,355,260	$ 1,515,686	$ (160,426)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	$ 16,273	$ 155,061
Expenditures		
Instruction	-	-
Receipts Over (Under) Expenditures	16,273	155,061
Unencumbered Cash, Beginning	274,597	290,870
Unencumbered Cash, Ending	$ 290,870	$ 445,931

UNIFIED SCHOOL DISTRICT NO. 321
TEXTBOOK AND STUDENT MATERIAL REVOLVING 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Rental Fees	$ 29,998	$ 31,832
Expenditures		
Instruction	21,521	21,837
Receipts Over (Under) Expenditures	8,477	9,995
Unencumbered Cash, Beginning	4,766	13,243
Unencumbered Cash, Ending	$ 13,243	$ 23,238

UNIFIED SCHOOL DISTRICT NO. 321
TITLE I 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 188,744	$ 179,909
Expenditures		
Instruction	188,885	179,385
Receipts Over (Under) Expenditures	(141)	524
Unencumbered Cash, Beginning	141	-
Unencumbered Cash, Ending	$ -	$ 524

UNIFIED SCHOOL DISTRICT NO. 321
TITLE II-A 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 54,117	$ 46,112
Expenditures		
Instructional Support Services	51,838	42,767
Receipts Over (Under) Expenditures	2,279	3,345
Unencumbered Cash, Beginning	132	2,411
Unencumbered Cash, Ending	$ 2,411	$ 5,756

UNIFIED SCHOOL DISTRICT NO. 321
TITLE IV-A STUDENT SERVICES 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 20,066	$ 19,354
Expenditures		
Instruction	20,066	19,354
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B DISCRETIONARY 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 12,978	$ 12,978
Expenditures		
Instruction	16,854	12,978
Receipts Over (Under) Expenditures	(3,876)	-
Unencumbered Cash, Beginning	3,876	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B PASS THRU 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 268,284	$ 263,723
Expenditures		
Student Support Services	269,000	260,379
Receipts Over (Under) Expenditures	(716)	3,344
Unencumbered Cash, Beginning	1,042	326
Unencumbered Cash, Ending	$ 326	$ 3,670

UNIFIED SCHOOL DISTRICT NO. 321
TITLE VI-B PRESCHOOL 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ -	$ -
Expenditures		
Instruction	506	91
Receipts Over (Under) Expenditures	(506)	(91)
Unencumbered Cash, Beginning	3,869	3,363
Unencumbered Cash, Ending	$ 3,363	$ 3,272

UNIFIED SCHOOL DISTRICT NO. 321
ESSER CARES 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 545,000	$ 455,242
Expenditures		
Instruction	520,596	455,776
Other Support Services	24,278	-
Total Expenditures	544,874	455,776
Receipts Over (Under) Expenditures	126	(534)
Unencumbered Cash, Beginning	408	534
Unencumbered Cash, Ending	$ 534	$ -

UNIFIED SCHOOL DISTRICT NO. 321
COVID TESTING GRANT 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 63,546	$ 30,071
Expenditures		
Instruction	64,236	30,288
Receipts Over (Under) Expenditures	(690)	(217)
Unencumbered Cash, Beginning	907	217
Unencumbered Cash, Ending	$ 217	$ -

UNIFIED SCHOOL DISTRICT NO. 321
KPP GRANT 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Grant	$ 125,000	$ 125,000
Expenditures		
Instruction	125,184	124,820
Receipts Over (Under) Expenditures	(184)	180
Unencumbered Cash, Beginning	289	105
Unencumbered Cash, Ending	$ 105	$ 285

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 19,996	$ 23,243
Donations	523	672
Total Receipts	20,519	23,915
Expenditures		
Instruction	20,936	23,417
Receipts Over (Under) Expenditures	(417)	498
Unencumbered Cash, Beginning	2,570	2,153
Unencumbered Cash, Ending	$ 2,153	$ 2,651

UNIFIED SCHOOL DISTRICT NO. 321
TEACHER APPRENTICE 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ -	$ 58,394
Expenditures		
Instruction	-	58,394
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
SAFE SCHOOLS 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
State Aid	$ 15,553	$ 15,000
Expenditures		
Supplies	15,553	15,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Loan Proceeds	$ -	$ -
Expenditures		
Construction	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	102	102
Unencumbered Cash, Ending	$ 102	$ 102

UNIFIED SCHOOL DISTRICT NO. 321
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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Revenue:		
Delinquent Taxes	$ -	$ -
Expenditures		
Debt Payments	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	96	96
Unencumbered Cash, Ending	$ 96	$ 96

UNIFIED SCHOOL DISTRICT NO. 321
SCHOLARSHIP 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)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Interest	$ -	$ -
Expenditures		
Scholarships	150	150
Receipts Over (Under) Expenditures	(150)	(150)
Unencumbered Cash, Beginning	2,865	2,715
Unencumbered Cash, Ending	$ 2,715	$ 2,565

UNIFIED SCHOOL DISTRICT NO. 321
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organization Funds				
Rossville High School				
FFA	$ 19,882	$ 19,148	$ 25,188	$ 13,842
FCCLA	1,422	4,882	4,900	1,404
High School Stuco	1,622	1,599	1,941	1,280
Junior High Stuco	(312)	3,116	2,471	333
FBLA	2,325	150	488	1,987
National Honor Society	502	-	-	502
FCA	64	816	655	225
SADD	975	825	1,747	53
Senior	33	1,890	1,583	340
Junior	662	8,326	8,852	136
Sophomore	2,033	1,780	68	3,745
Freshman	819	1,527	-	2,346
HS Cheer	(967)	3,983	489	2,527
Jr. High Cheerleaders	2,252	2,835	3,742	1,345
Dance	9,476	9,581	12,494	6,563
Band	842	-	838	4
Scholar's Bowl	133	-	-	133
Exchange Activities	508	-	-	508
Metal Shop	713	1,345	-	2,058
Choir	36	-	-	36
FBLA JH	24	-	-	24
RHS Activity Fee	2,560	-	1,090	1,470
RH Forensics	110	-	110	-
Subtotal Rossville High School	45,714	61,803	66,656	40,861
St. Marys High School				
FFA	9,852	21,782	15,600	16,034
FCCLA	6,825	11,704	12,155	6,374
High School Stuco	7,804	4,634	5,923	6,515
HOSA	-	2,855	2,117	738
Junior High Stuco	353	3,630	3,833	150
FBLA	3,718	4,689	3,960	4,447
National Honor Society	494	1,673	1,271	896
FCA	744	505	267	982
STEP/SADD	3,614	1,875	2,118	3,371
Senior	425	5,721	2,103	4,043
Junior	4,951	-	2,497	2,454
Sophomore	3,151	-	1,719	1,432
Freshman	1,465	-	1,465	-
HS Cheer	2,570	10,129	6,836	5,863
Jr. High Cheerleaders	1,586	1,543	1,541	1,588

UNIFIED SCHOOL DISTRICT NO. 321
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 3

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Dance	$ 4,328	$ 7,366	$ 3,835	$ 7,859
Band	830	6,528	4,261	3,097
Choir	5,681	2,447	1,303	6,825
Learning Center	2,621	-	-	2,621
Multimedia Class	5,701	1,145	19	6,827
Scholar's Bowl	411	-	-	411
Foreign Language	869	-	-	869
Theater	3,883	3,286	728	6,441
SMJSHS Activity	5,466	980	-	6,446
Senior Composite	3,070	3,188	-	6,258
Debate	612	1,005	167	1,450
Subtotal St. Marys High School	81,024	96,685	73,718	103,991
Rossville Grade School				
Parents as Teachers	710	-	-	710
Walmart Foundation	1,300	700	-	2,000
Science	173	-	-	173
Carol Jory Donation	5,000	-	-	5,000
Library	1,325	3,414	3,268	1,471
RGS Student Bank	163	2,451	2,315	299
Kelling Family	2,282	7,308	7,200	2,390
Art	313	-	-	313
Dawg House	953	-	-	953
Subtotal Rossville Grade School	12,219	13,873	12,783	13,309
St. Marys Grade School				
5/6 Grade	154	1,924	2,030	48
Field Trips	807	2,307	2,081	1,033
Friday Families Fund	-	1,260	1,259	1
Student Council	849	412	481	780
Library	846	23	-	869
Social Committee	512	777	1,034	255
OT Grant	199	-	-	199
Playground Fence Funds	10,580	-	10,580	-
Band	200	-	-	200
Subtotal St. Marys Grade School	14,147	6,703	17,465	3,385
Total Student Organization Funds	153,104	179,064	170,622	161,546
Special Reserves	1,807	(555,917)	557,724	(1,111,834)
TOTAL AGENCY FUNDS	$ 154,911	$ (376,853)	$ 728,346	$ (950,288)

UNIFIED SCHOOL DISTRICT NO. 321
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 4

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Athletics and Other						
Rossville High School	$ 51,486	$ 112,299	$ 123,322	$ 40,463	$ -	$ 40,463
St. Marys High School	43,636	56,027	53,741	45,922	-	45,922
Rossville Grade School	5,214	7,182	7,269	5,127	-	5,127
St. Marys Grade School	5,580	5,145	3,974	6,751	-	6,751
Subtotal Athletics and Other	105,916	180,653	188,306	98,263	-	98,263
School Projects						
Rossville High School	9,551	2,032	861	10,722	-	10,722
St. Marys High School	13,838	6,610	6,412	14,036	-	14,036
Rossville Grade School	2,796	380	183	2,993	-	2,993
St. Marys Grade School	973	1,169	795	1,347	-	1,347
Subtotal School Projects	27,158	10,191	8,251	29,098	-	29,098
Revolving Funds						
Rossville High School	101	80,607	80,543	165	-	165
St. Marys High School	193	94,902	87,871	7,224	-	7,224
Rossville Grade School	3,096	119,978	121,745	1,329	-	1,329
St. Marys Grade School	10	48,100	48,110	-	-	-
Subtotal Revolving Fund	3,400	343,587	338,269	8,718	-	8,718
Total District Activity Funds	$ 136,474	$ 534,431	$ 534,826	$ 136,079	$ -	$ 136,079

UNIFIED SCHOOL DISTRICT NO. 321

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. 321
St. Marys, 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. 321 (District), 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 24, 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. 321'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. 321's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 321'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 charge 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 321'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*.

Unified School District No. 321's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Unified School District No. 321's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Unified School District No. 321's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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. 321's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.

Topeka, Kansas

March 24, 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. 321

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 321'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. 321's major federal programs for the year ended June 30, 2025. Unified School District No. 321'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. 321 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. 321 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. 321'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. 321'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. 321'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. 321'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. 321'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. 321'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. 321's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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 internal control over compliance 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 material weakness.

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 2025-003 to be a material weakness.

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 No. 321'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 No. 321's response was not subjected to the other auditing procedures applied in the audit of compliance and, according, 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 24, 2026

UNIFIED SCHOOL DISTRICT NO. 321
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. 321 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. Two 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 statements of Unified School District No. 321, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. One material weakness was identified, and no significant deficiencies were reported during the audit of each major federal program.

5. The auditor's report on compliance for each major federal program for Unified School District No. 321 expresses an unmodified opinion on all major federal programs.

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

7. The programs tested as major programs: Child Nutrition Cluster, Assistance Listing Number 10.553, 10.555 and 10.559; and 84.425 Education Stabilization Fund.

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

9. Unified School District No. 321 was determined to not be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINDINGS – FINANCIAL STATEMENT

2025-001 Internal Controls over Financial Statement Presentation (Material Weakness)

Criteria: The financial statement is the responsibility of management. As such, the District's internal control over the financial statement should identify misstatements on a timely basis.

Condition: During the course of our audit, we identified significant adjustments to the trial balance that were not initially identified by the District's internal control structure. Encumbrances were not properly identified causing a need for a significant adjustment to add them to June 30, 2025.

Context: During our testing of encumbrances for the fiscal year ended June 30, 2025, we identified material encumbrances that were omitted from the initial financial records provided for audit. The exclusion of these obligations resulted in a material misstatement of the District's reported commitments, necessitating audit adjustments to ensure the fair presentation of the financial statements

Cause: The District's policies and procedures were not designed to prepare the financial statement in conformity with the regulatory basis of accounting.

Effect: The District's financial statements required multiple adjustments to funds to ensure proper recording.

Recommendation: We recommend that the Board of Education and management review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure conformity with the regulatory basis of accounting.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures for internal control over financial reporting to ensure conformity with the regulatory basis of accounting.

2025-002 Internal Controls over Adjustments to Expenditures (Material Weakness)

Criteria: Adjustments to expenditure accounts in the general ledger should be made in a manner that is supported by proper documentation and allocation of expenditures.

Condition: During the course of our audit, we noted that the District moved expenditures between funds without supporting documentation or clear allocation methodology. The District lacked a transparent process to justify the purpose or the basis for these reallocations, resulting in an inadequate audit trail for the monthly adjustments.

Context: During our testing of journal entries, we identified moving expenditures between multiple funds that lacked supporting documentation. The allocation was not clearly defined or transparently recorded in the general ledger.

Cause: The District's policies and procedures were not designed to ensure that all journal entries and expenditure reallocation be accompanied by supporting documentation and review prior to posting.

Effect: The lack of transparency prevents the District from demonstrating compliance with regulatory basis of accounting. This could result in lack of accountability and noncompliance.

Recommendation: We recommend that the Board of Education and management establish a formal policy requiring all expenditure reallocations to be supported showing the related expenditures, reasons for the reallocation. The support should be approved and signed off by a reviewer for transparency.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures to move expenditures between funds with proper documentation.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2025-003 Internal controls over Schedule of Expenditures of Federal Awards Preparation (Material Weakness)

Federal Agency: U.S Department of Education
Pass through entity: Kansas Department of Education
Program Name: Child Nutrition Cluster; Education Stabilization Fund
Assistance Listing Numbers: 10.553, 10.555 and 10.559; 84.425
Award Period: June 30, 2025

Criteria: According to 2 CFR 200, Subpart F, the District is required to prepare a schedule of federal expenditures, which must include the total federal awards expended as determined in accordance with §200.502. An effective internal control system exists if controls are effective in preventing or detecting material misstatements in the preparation of the schedule of federal expenditures of federal awards (the schedule). It provides reasonable assurance for the reliability of financial information and compliance with laws and regulations.

Condition: We have determined that there was an inadequate design of internal control over the preparation of the schedule during the fiscal year ended June 30, 2025. The current financial reporting process does not ensure accuracy and completeness in the preparation of the schedule by the District, as required by Uniform Guidance.

Context: During our audit of the federal programs for the fiscal year ended June 30, 2025, we performed procedures to verify the accuracy and completeness of the Schedule of Expenditures of Federal Awards (SEFA). Our testing identified material misstatements in the initial SEFA provided by management, indicating that the District's reporting process did not accurately capture all federal award activity.

Cause: The District's policies and procedures were not designed to ensure the District's preparation of the schedule in conformity with Uniform Guidance.

Effect: The District did not prepare a complete and accurate schedule in conformity with Uniform Guidance as significant modifications were required. This increases the likelihood of a material misstatement and noncompliance with laws and regulations.

Recommendation: We recommend the Board of Education and management review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure that the District prepares the schedule conformity with Uniform Guidance.

Questioned Costs: None.

Repeat Finding: Yes, 2024-003.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper written policies and procedures for the internal control over compliance to ensure accuracy and completeness in the District's preparation of the schedule as required by Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 321
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FINDINGS – FINANCIAL STATEMENT

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

Funding Summary: The District's internal control structure did now allow for proper preparation of the financial statement, related noted, regulatory-required supplementary information, and the schedule of expenditures of federal awards.

Status: Corrective action has not been taken see finding 2025-001

2024-002 Internal Controls over Adjustments to Expenditures (Material Weakness)

Funding Summary: The District moved expenditures between funds in a manner that caused negative (credit) balances in certain expenditure accounts. Moving of these expenditures were made without proper documentation and allocation.

Status: Corrective action has not been taken see finding 2025-002

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2024-003 Preparation of and Internal controls over Schedule of Expenditures of Federal Awards Preparation (Material Weakness)

Finding Summary: The District's internal control structure over the preparation of the schedule of federal awards did not ensure the accuracy and completeness in the preparation of the schedule by the District, as required by Uniform Guidance.

Status: Correct action has not been taken see finding 2025-003.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor	Assistance Listing 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				
School Breakfast Program	10.553	Kansas State Department of Education	School Breakfast 3529-3490	$ 67,203
National School Lunch Program	10.555	Kansas State Department of Education	Supply Chain Assistance 3530-3500	225,823
Summer Food Service Program for Children	10.559	Kansas State Department of Education	Cash for Commodities 3530-3500	428,334
Total United States Department of Agriculture				721,360
Total Child Nutrition Cluster-Cluster				721,360
Special Education Cluster (IDEA)-Cluster				
Department of Education				
Special Education Grants to States	84.027	Kansas State Department of Education	EHC Flo-Thru 3234-3050	261,442
Special Education Preschool Grants	84.173	Kansas State Department of Education	EC Flow-Thru 3535-3550	11,915
Total Department of Education				273,357
Total Special Education Cluster (IDEA)-Cluster				273,357
Other Programs				
Department of Labor				
Registered Apprenticeship	17.285	Kansas State Department of Education	Teacher Apprentice Grant 3056-3200	45,250
Total Department of Labor				45,250
Department of Education				
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education	Title I Low Income 3532-3520	179,385
Career and Technical Education -- National Programs	84.051		Carl Perkins	1,567
Indian Education Grants to Local Educational Agencies	84.060			23,243

UNIFIED SCHOOL DISTRICT NO. 321
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor	Assistance Listing Number	Pass-Through Entity Name	Name of Grant - Grant ID No	Federal Expenditures
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education	Supporting Effective Instruction 3526-3860	$ 42,767
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education	ESSA-StudSrrt 3113-3113	19,354
Education Stabilization Fund (COVID-19)	84.425	Kansas State Department of Education	ESSER 3233-3040	467,377
Total Department of Education				733,693
Department of Health and Human Services				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) (COVID-19)	93.323	Kansas State Department of Education	KDHE K-12 COVID Testing Grant 3056-3200	30,288
Temporary Assistance for Needy Families (TANF) State Programs	93.558	Kansas State Department of Education	TANF-Early Learning Kansans 3323-0531	62,500
Total Department of Health and Human Services				92,788
Total Other Programs				871,731
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,866,448

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 321
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. 321 (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.

Kaw Valley
Unified School District #321
411 West Lasley
St. Marys, KS 66536

Phone 785-437-2254
Fax 785-437-3155
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Rossville Grade School
St. Marys Grade School
Rossville Jr./Sr. High School
St. Marys Jr./Sr. High School

BOARD MEMBERS
Kim Gillum
Board President
John Simecka
Board Vice President
Michael Lett
Jodi Porter
Jody Mitchell
Elias Espinoza
Michelle Martin

ADMINISTRATION
Kerry Lacock
Superintendent
Kristy Dyche
Clerk of the Board
Tracy Davis
Treasurer

CORRECTIVE ACTION PLAN

March 24, 2026

U.S. Department of Education
Washington, D.C.

Unified School District No. 231 respectfully submits the following corrective action plan for the year ended June 30, 2025.

SSC CPAs, P.A.
5825 SW 29th St
Topeka, KS 66614

Audit period: Year ended June 30, 2025

The findings from the June 30, 2025 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Audit Results, does not include findings and is not addressed.

FINDINGS-FINANCIAL STATEMENT AUDIT

2025-001 Internal Control over Financial Statement presentation (Material Weakness)

Recommendation: The Board of Education and management should review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure conformity with the regulatory basis of accounting.

Action Taken (Unaudited): Management plans to have the Board Clerk and the Board Treasurer work closely and monitor the financial reporting to ensure conformity.

Contact Name – Kristy Dyche
Expected Completion Date - 12/31/2026

2025-002 Internal Controls over Adjustments to Expenditures (Material Weakness)

Recommendation: The Board of Education and management establish a formal policy requiring all expenditure reallocations to be supported showing the related expenditures, reasons for the reallocation. The support should be approved and signed off by a reviewer for transparency.

Action Taken (Unaudited): Management plans to have the Board Clerk create a sheet that lists each journal entry with a detailed description of the expenses being reallocated and the reason and

include a designated area for the Superintendent and/or Board Treasurer to approve each entry.

Contact Name – Kristy Dyche
Expected Completion Date - 12/31/2026

FINDINGS-FEDERAL AWARD PROGRAMS AUDIT

2025-003 Preparation of and Internal controls over Schedule of Expenditures of Federal Awards Preparation (Material Weakness)

Federal Agency: U.S Department of Education
Program Name: Child Nutrition Cluster; Education Stabilization Fund
Assistance Listing Number: 10.553, 10.555 and 10.559; 84.425
Award Period: June 30, 2025

Recommendation: The Board of Education and management should review the financial reporting process. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over financial reporting to ensure that the District prepares the schedule conformity with Uniform Guidance.

Action Taken (Unaudited): Management plans to have the Board Clerk and the Board Treasurer complete the Schedule of Expenditures together and to ensure that the correct expenses are being reported.

Contact Name – Kristy Dyche
Expected Completion Date - 06/30/2026

If the U.S. Environmental Protection Agency has questions regarding this plan, please call Kristy Dyche at 785-437-2254.

Sincerely yours,

Kristy Dyche
Board Clerk
Unified School District No. 321