SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 203

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

JUNE 30, 2024

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SSC CPAs, P.A.

Independent Auditor's Report

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

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 203, Kansas City, Kansas, as of and for the year ended June 30, 2024, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 203, as of June 30, 2024, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 203, as of June 30, 2024, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 2 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide,* which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 203, as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated September 12, 2024 which contained an unmodified opinion on the basic financial statement. The 2023 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/account-reports/local-government/municipal-services. The 2023 actual column (2023 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2024 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2023 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statement. The 2023 comparative information was subjected to the auditing procedures applied in the audit of the 2023 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2023 basic financial statement or to the 2023 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2023 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2023 on the basis of accounting described in Note 2.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2025, on our consideration of Unified School District No. 203's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 203's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 203's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
January 29, 2025

UNIFIED SCHOOL DISTRICT NO. 203 STATEMENT 1
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ 29,959	$ 21,698,333	$ 21,698,333	$ 29,959	$ 35,337	$ 65,296
Supplemental General	647,385	45,367	7,041,813	7,007,702	726,863	9,458	736,321
Special Purpose Funds:							
Federal	(59,991)	-	201,095	189,179	(48,075)	6,923	(41,152)
At Risk (4 Year Old)	712	-	37,065	37,777	-	-	-
At Risk (K-12)	431,529	-	1,966,361	1,973,468	424,422	-	424,422
Bilingual	37,603	-	198,899	236,502	-	-	-
Virtual Education	15,844	-	48,406	64,250	-	-	-
Capital Outlay	262,516	38,523	3,265,675	3,430,747	135,967	64,165	200,132
Food Service	1,120,988	-	1,383,759	1,226,685	1,278,062	99,112	1,377,174
Professional Development	28,359	-	41,192	69,551	-	-	-
Parents as Teachers	4,558	-	150	-	4,708	-	4,708
Summer School	25,937	-	72	-	26,009	-	26,009
Special Education	133,589	326	6,002,533	6,136,122	326	23,794	24,120
Cost of Living	42,442	-	641,173	639,500	44,115	-	44,115
Career and Postsecondary Education	55,796	-	824,006	879,595	207	-	207
Gifts and Grants	572,545	10,892	468,172	732,664	318,945	2,348	321,293
KPERS Special Retirement Contribution	-	-	2,547,450	2,547,754	(304)	-	(304)
Contingency Reserve	159,227	-	-	-	159,227	-	159,227
Textbook and Student Material Revolving	492,312	314	231,208	418,556	305,278	61,853	367,131

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

UNIFIED SCHOOL DISTRICT NO. 203 STATEMENT 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Special Purpose Funds:							
ESSER I, II & III	$ (833,864)	$ -	$ 947,738	$ 473,282	$ (359,408)	$ -	$ (359,408)
District Activity	55,791	-	229,543	219,594	65,740	-	65,740
Bond and Interest Fund:							
Bond and Interest	7,477,087	-	7,982,307	7,252,792	8,206,602	-	8,206,602
Capital Project Fund:							
Construction	57,000,812	43,744	1,023,048	41,246,198	16,821,406	5,397,232	22,218,638
Trust fund:					-		
Scholarship	95,762	-	137	1,875	94,024	-	94,024
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)	$ 67,766,939	$ 169,125	$ 56,780,135	$ 96,482,126	$ 28,234,073	$ 5,700,222	$ 33,934,295
COMPOSITION OF CASH							
Checking							$ 9,907,939
Checking - Activity Accounts							427,413
Savings							1,034,256
Kansas Municipal Investment Pool							1,989,248
Other Securities							20,951,854
Total Cash							34,310,710
Agency Funds per Schedule 3							(376,415)
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)							$ 33,934,295

1. REPORTING ENTITY

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities, or deferred inflows or outflows, other than those mentioned above.

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

Fund Descriptions. The following types of funds comprise the financial activities of the District for the year ended June 30, 2024:

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 adoption of the final budget has been adjusted to on or before September 20th. The District held 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:

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

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

4. DEPOSITS AND INVESTMENTS

As of June 30, 2024, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity Less Than 1 Year	Investment Maturity 1 - 2 Years	Rating U.S.
Kansas Municipal Investment Pool	$ 1,989,248	$ 1,989,248	$ -	N/A
Treasury Notes	22,127,787	22,127,787	-	Moody Aaa
Money Market Government Portfolio	518,913	518,913	-	
Total Fair Value	$ 24,635,948	$ 24,635,948	$ -	
Securities at cost	$ 22,941,102	$ 22,941,102	$ -	
Unrealized gain	$ 1,694,846	$ 1,694,846	$ -	

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2024, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	8.07%
Treasury Notes	89.82%
Money Market Government Portfolio	2.11%
	100.00%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2024.

At June 30, 2024, the District's carrying amount of deposits was $11,369,608 and the bank balance was $12,573,927. 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 $12,323,927 was collateralized with securities held by the pledging financial institution's agent in the District's name.

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

At June 30, 2024, the District had invested $1,989,248 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

5. CAPITAL PROJECTS

Capital projects have been authorized for District improvements:

	Authorized	Expended to Date
Purchase and improve sites and construct, equip, furnish, repair, remodel and make additions to buildings, including acquisition of new and upgraded computer and communications technology	$ 69,566,289	$ 56,009,646

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A 72-6428	$ 37,065
General Fund	At Risk (K-12) Fund	K.S.A 72-6428	1,472,467
General Fund	Virtual Education Fund	K.S.A 72-6428	48,406
General Fund	Professional Development Fund	K.S.A 72-6428	29,749
General Fund	Special Education Fund	K.S.A 72-6428	4,211,260
General Fund	Career and Postsecondary Education Fund	K.S.A 72-6428	794,025
General Fund	Bilingual Fund	K.S.A 72-6428	132,855
Supplemental General Fund	At Risk (K-12) Fund	K.S.A 72-6433	493,894
Supplemental General Fund	Bilingual Fund	K.S.A 72-6433	66,044
Supplemental General Fund	Special Education Fund	K.S.A 72-6435	1,477,935

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment benefits. As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

Death and Disability Other Post Employment Benefits. As provided by K.S.A 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2024.

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

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

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

8. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory rate (not including the 1% contribution rate for Death and Disability Program) was 13.88% and 13.11%, respectively, for the fiscal year ended June 30, 2023. The actuarially determined employer contribution rate and the statutory contribution rate was 13.38% and 12.57% for the fiscal year ended June 30, 2024.

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $2,547,754 for the year ended June 30, 2024.

Net pension liability

At June 30, 2024, the District's proportionate share of the collective net pension liability reported by KPERS was $21,961,943. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2023. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

9. RISK MANAGEMENT AND UNCERTAINTIES

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to protect themselves from these risks.

10. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The KPERS Special Retirement Contribution had a deficit cash balance and deficit unencumbered cash balance of $304 at June 30, 2024, which is a violation of K.S.A 10-1113.

The ESSER I, II, & III Fund had a deficit cash balance and deficit unencumbered cash balance of $359,408 at June 30, 2024, which is a violation of K.S.A. 10-1113. The deficit cash balance and deficit unencumbered cash balance is pending reimbursement from the State of Kansas.

The Federal Fund had a deficit cash balance of $41,152 and a deficit unencumbered cash balance of $48,075 at June 30, 2024, which is a violation of K.S.A 10-113. The deficit cash balance and deficit unencumbered cash balance is pending reimbursement from the State of Kansas.

11. RECLASSIFICATIONS

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

12. RELATED PARTIES

During the year ended June 30, 2024, the District employed two immediate family members of the District Board members.

13. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2024 through January 29, 2025. The aforementioned date represents the date the financial statement was available to be issued.

As of the date of this report there is one instance of threatened litigation involving the District. Should suits be filed, the likelihood of an unfavorable outcome is possible.

14. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General obligation bonds:									
Series 2013-A	2.00-2.375%	March 2013	$ 3,420,000	Sept. 2028	$ 2,520,000	$ -	$ 50,000	$ 2,470,000	$ 55,311
Series 2016-A	2.00-4.00%	April 2016	17,070,000	Sept. 2028	10,090,000	-	1,545,000	8,545,000	220,200
Series 2018-A	4.00-5.00%	May 2018	35,000,000	Sept. 2048	35,000,000	-	-	35,000,000	1,609,650
Series 2018-B	2.65%-3.70%	May 2018	3,280,000	Sept. 2028	1,140,000	-	580,000	560,000	29,118
Series 2022-A	3.00%-5.25%	July 2022	64,300,000	Sept. 2052	64,300,000	-	-	64,300,000	3,163,513
Finance/capital leases:									
Energy lease	5.04%	June 2008	4,890,000	Sept. 2028	1,897,831	-	320,511	1,577,320	59,096
Energy lease	5.85%	Jan. 2009	2,674,000	March 2029	1,262,478	-	196,311	1,066,167	33,378
Total					$116,210,309	$ -	$ 2,691,822	$ 113,518,487	$ 5,170,266

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

	2025	2026	2027	2028	2029	2030-2034	2035-2039	2040-2044	2045-2049	2050-2053	Total
Principal											
G.O. Bonds											
Series 2013-A	$ 340,000	$ 425,000	$ 560,000	$ 570,000	$ 575,000	$ -	$ -	$ -	$ -	$ -	$ 2,470,000
Series 2016-A	1,615,000	1,670,000	1,705,000	1,755,000	1,800,000	-	-	-	-	-	8,545,000
Series 2018-A	-	-	-	-	-	5,915,000	7,545,000	9,620,000	11,920,000	-	35,000,000
Series 2018-B	110,000	110,000	110,000	115,000	115,000	-	-	-	-	-	560,000
Series 2022-A	-	-	-	-	125,000	6,525,000	8,445,000	10,785,000	13,595,000	24,825,000	64,300,000
Finance/capital leases											
Energy lease	331,012	341,857	353,058	364,625	186,768	-	-	-	-	-	1,577,320
Energy lease	201,747	207,333	213,074	218,975	225,038	-	-	-	-	-	1,066,167
Total Principal	2,597,759	2,754,190	2,941,132	3,023,600	3,026,806	12,440,000	15,990,000	20,405,000	25,515,000	24,825,000	113,518,487
Interest											
G.O. Bonds											
Series 2013-A	56,036	44,861	32,926	20,211	6,828	-	-	-	-	-	160,862
Series 2016-A	165,075	124,150	90,400	55,800	19,125	-	-	-	-	-	454,550
Series 2018-A	1,609,650	1,609,650	1,609,650	1,609,650	1,609,650	7,337,625	6,203,125	3,538,075	1,229,400	-	26,356,475
Series 2018-B	17,995	14,255	10,405	6,354	2,127	-	-	-	-	-	51,136
Series 2022-A	3,163,513	3,163,513	3,163,513	3,163,513	3,161,638	15,024,187	13,152,687	10,760,937	7,933,112	2,689,706	65,376,319
Finance/capital leases											
Energy lease	48,045	37,750	26,549	15,002	3,035	-	-	-	-	-	130,381
Energy lease	27,942	22,356	16,615	10,715	4,652	-	-	-	-	-	82,280
Total Interest	5,088,256	5,016,535	4,950,058	4,881,245	4,807,055	22,361,812	19,355,812	14,299,012	9,162,512	2,689,706	92,612,003
Total Principal and Interest	$7,686,015	$7,770,725	$7,891,190	$7,904,845	$7,833,861	$34,801,812	$35,345,812	$34,704,012	$34,677,512	$27,514,706	$ 206,130,490

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 203
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds:						
General	$ 21,858,623	$ (895,985)	$ 735,695	$ 21,698,333	$ 21,698,333	$ -
Supplemental General	7,234,017	(255,654)	29,339	7,007,702	7,007,702	-
Special Purpose Funds:						
At Risk (4 Year Old)	37,777	-	-	37,777	37,777	-
At risk (K-12)	1,973,468	-	-	1,973,468	1,973,468	-
Bilingual	236,502	-	-	236,502	236,502	-
Virtual Education	180,000	-	-	180,000	64,250	(115,750)
Capital Outlay	3,600,110	-	-	3,600,110	3,430,747	(169,363)
Food Service	2,029,190	-	-	2,029,190	1,226,685	(802,505)
Professional Development	85,000	-	-	85,000	69,551	(15,449)
Parents as Teachers	-	-	-	-	-	-
Summer School	-	-	-	-	-	-
Special Education	7,048,455	-	-	7,048,455	6,136,122	(912,333)
Cost of Living	639,500	-	-	639,500	639,500	-
Career and Postsecondary Education	1,384,583	-	-	1,384,583	879,595	(504,988)
KPERS Special Retirement Contribution	2,659,573	-	-	2,659,573	2,547,754	(111,819)
Bond and Interest Fund:						
Bond and Interest	7,252,792	-	-	7,252,792	7,252,792	-

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State aid:				
General State Aid	$ 15,373,245	$ 17,567,341	$ 17,856,251	$ (288,910)
Special Education Services Aid	2,947,228	3,395,297	4,002,372	(607,075)
Reimbursements	611,809	735,695	-	735,695
Total Receipts	18,932,282	21,698,333	$ 21,858,623	$ (160,290)
Expenditures				
Instruction	10,392,406	11,384,469	$ 9,894,332	$ 1,490,137
Student Support Services	242,437	883,812	799,119	84,693
Instructional Support Staff	319,563	406,678	372,765	33,913
General Administration	23,073	709,695	689,814	19,881
School Administration	834,038	1,358,130	1,315,616	42,514
Central Services	6,997	5,681	7,500	(1,819)
Operations and Maintenance	897,692	173,611	-	173,611
Student Transportation Services	-	39,679	-	39,679
Food Service	53,104	10,751	-	10,751
Operating Transfers	6,350,066	6,725,827	8,779,477	(2,053,650)
Adjustment to Comply with Legal Max	-	-	(895,985)	895,985
Legal General Fund Budget	19,119,376	21,698,333	20,962,638	735,695
Adjustment for Qualifying Budget Credits	-	-	735,695	(735,695)
Total Expenditures	19,119,376	21,698,333	$ 21,698,333	$ -
Receipts Over (Under) Expenditures	(187,094)	-		
Prior Year Cancelled Encumbrances	-	29,959		
Unencumbered Cash, Beginning	187,094	-		
Unencumbered Cash, Ending	$ -	$ 29,959		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared revenue:				
Ad Valorem Property Tax	$ 3,376,235	$ 4,256,365	$ 4,048,154	$ 208,211
Delinquent Tax	45,023	30,701	42,523	(11,822)
Motor Vehicle Tax	311,547	280,977	303,474	(22,497)
Recreational Vehicle Tax	792	1,306	5,341	(4,035)
State aid:				
Supplemental General State Aid	2,174,160	2,443,125	2,532,629	(89,504)
Reimbursements	44,553	29,339	(45,000)	74,339
Total Receipts	5,952,310	7,041,813	$ 6,887,121	$ 154,692
Expenditures				
Instruction	276,442	155,702	$ 270,000	$ (114,298)
Student Support Services	39,624	34,628	23,000	11,628
General Administration	536,242	372,673	370,900	1,773
School Administration	1,001,637	391,363	439,666	(48,303)
Central Services	721,034	735,426	882,893	(147,467)
Operations and Maintenance	1,579,634	1,866,260	2,317,625	(451,365)
Student Transportation Services	1,283,622	1,407,386	1,375,000	32,386
Other Support Services	5,726	6,391	-	6,391
Operating Transfers	597,354	2,037,873	1,554,933	482,940
Adjustment to Comply with Legal Max	-	-	(255,654)	255,654
Total Expenditures	6,041,315	7,007,702	6,978,363	29,339
Adjustment for qualifying budget credits	-	-	29,339	(29,339)
Total Expenditures	6,041,315	7,007,702	$ 7,007,702	$ -
Receipts Over (Under) Expenditures	(89,005)	34,111		
Prior Year Cancelled Encumbrances	-	45,367		
Unencumbered Cash, Beginning	736,390	647,385		
Unencumbered Cash, Ending	$ 647,385	$ 726,863		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
FEDERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Federal aid:		
Title I	$ 89,876	$ 154,947
Title IIA	37,517	39,390
Title IV	-	6,758
Total Receipts	127,393	201,095
Expenditures		
Instruction	173,656	189,179
Receipts Over (Under) Expenditures	(46,263)	11,916
Unencumbered Cash, Beginning	(13,728)	(59,991)
Unencumbered Cash, Ending	$ (59,991)	$ (48,075)

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AT RISK (4 YEAR OLD) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 130,000	$ 37,065	$ 40,000	$ (2,935)
Expenditures				
Instruction	138,945	37,777	$ 37,777	$ -
Receipts Over (Under) Expenditures	(8,945)	(712)		
Unencumbered Cash, Beginning	9,657	712		
Unencumbered Cash, Ending	$ 712	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursed Expenses	$ 86,170	$ -	$ -	$ -
Operating Transfers	1,647,930	1,966,361	1,975,000	(8,639)
Total Receipts	1,734,100	1,966,361	$ 1,975,000	$ (8,639)
Expenditures				
Instruction	1,173,452	1,870,280	$ 1,708,244	$ 162,036
Student Support Services	236,789	73,731	165,224	(91,493)
Student Transportation Services	89,759	29,457	100,000	(70,543)
Total Expenditures	1,500,000	1,973,468	$ 1,973,468	$ -
Receipts Over (Under) Expenditures	234,100	(7,107)		
Unencumbered Cash, Beginning	197,429	431,529		
Unencumbered Cash, Ending	$ 431,529	$ 424,422		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
BILINGUAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 190,000	$ 198,899	$ 240,000	$ (41,101)
Expenditures				
Instruction	191,784	236,502	$ 236,502	$ -
Receipts Over (Under) Expenditures	(1,784)	(37,603)		
Unencumbered Cash, Beginning	39,387	37,603		
Unencumbered Cash, Ending	$ 37,603	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursements	$ 2,450	$ -	$ 180,690	$ (180,690)
Operating Transfers	80,000	48,406	-	48,406
Total Receipts	82,450	48,406	180,690	(132,284)
Expenditures				
Instruction	80,808	64,250	$ 180,000	$ (115,750)
Receipts Over (Under) Expenditures	1,642	(15,844)		
Unencumbered Cash, Beginning	14,202	15,844		
Unencumbered Cash, Ending	$ 15,844	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	$ 2,199,299	$ 2,476,953	$ 2,446,240	$ 30,713
Delinquent Tax	27,022	18,428	27,715	(9,287)
Motor Vehicle Tax	182,294	177,529	189,230	(11,701)
Recreational Vehicle Tax	488	820	3,331	(2,511)
State Aid	509,686	532,572	532,580	(8)
Interest on Idle Funds	20,596	20,067	15,000	5,067
Miscellaneous	41,663	39,306	45,000	(5,694)
Total Receipts	2,981,048	3,265,675	$ 3,259,096	$ 6,579
Expenditures				
Instruction	637,798	882,802	$ 1,125,000	$ (242,198)
Student Support Services	8,222	43,456	10,000	33,456
General Administration	16,895	2,555	-	2,555
Equipment and Supplies	66,464	173,300	60,000	113,300
Operations and Maintenance	1,446,968	1,616,920	1,605,812	11,108
Facilities Acquisition and Construction	398,669	91,921	190,000	(98,079)
Other Support Services	615,990	10,497	-	10,497
Debt Services	-	609,296	609,298	(2)
Total Expenditures	3,191,006	3,430,747	$ 3,600,110	$ (169,363)
Receipts Over (Under) Expenditures	(209,958)	(165,072)		
Prior Year Cancelled Encumbrances	-	38,523		
Unencumbered Cash, Beginning	472,474	262,516		
Unencumbered Cash, Ending	$ 262,516	$ 135,967		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 12,213	$ 12,395	$ 9,417	$ 2,978
Federal Aid	695,376	598,059	696,137	(98,078)
Local Receipts	755,041	760,001	482,546	277,455
Reimbursements	552	13,304	500	12,804
Total Receipts	1,463,182	1,383,759	$ 1,188,600	$ 195,159
Expenditures				
Food Service Operations	1,082,109	1,226,685	$ 2,029,190	$ (802,505)
Receipts Over (Under) Expenditures	381,073	157,074		
Unencumbered Cash, Beginning	739,915	1,120,988		
Unencumbered Cash, Ending	$ 1,120,988	$ 1,278,062		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 7,370	$ 10,480	$ 15,000	$ (4,520)
Operating Transfers	50,000	29,749	75,000	(45,251)
Reimbursements	-	963	-	963
Total Receipts	57,370	41,192	$ 90,000	$ (48,808)
Expenditures				
Instructional Support Staff	46,000	69,551	$ 85,000	$ (15,449)
Receipts Over (Under) Expenditures	11,370	(28,359)		
Unencumbered Cash, Beginning	16,989	28,359		
Unencumbered Cash, Ending	$ 28,359	$ -		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
PARENTS AS TEACHERS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Local Receipts	$ -	$ 150	$ 4,558	$ (4,408)
Expenditures				
Instruction	-	-	$ -	$ -
Receipts Over (Under) Expenditures	-	150		
Unencumbered Cash, Beginning	4,558	4,558		
Unencumbered Cash, Ending	$ 4,558	$ 4,708		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SUMMER SCHOOL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

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

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 21,457	$ 87,550	$ 87,550	$ -
Reimbursed Expenses	184,142	225,788	200,000	25,788
Operating Transfers	3,999,490	5,689,195	6,637,272	(948,077)
Total Receipts	4,205,089	6,002,533	$ 6,924,822	$ (922,289)
Expenditures				
Instruction	4,884,112	5,163,981	$ 6,168,455	$ (1,004,474)
Student Support Services	114,778	197,113	125,000	72,113
Student Transportation Services	614,205	775,028	755,000	20,028
Total Expenditures	5,613,095	6,136,122	$ 7,048,455	$ (912,333)
Receipts Over (Under) Expenditures	(1,408,006)	(133,589)		
Prior Year Cancelled Encumbrances	-	326		
Unencumbered Cash, Beginning	1,541,595	133,589		
Unencumbered Cash, Ending	$ 133,589	$ 326		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
COST OF LIVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	$ 204,198	$ 609,482	$ 611,348	$ (1,866)
Delinquent Tax	4,970	2,409	2,589	(180)
Motor Vehicle Tax	43,930	22,046	25,121	(3,075)
Recreational Vehicle Tax	63	106	125	(19)
Commercial Vehicle Tax	-	-	317	(317)
IRB/PILOT Tax	2,213	7,130	-	7,130
Operating Transfers	270,248	-	-	-
Total Receipts	525,622	641,173	639,500	1,673
Expenditures				
State Payment	540,668	639,500	$ 639,500	$ -
Receipts Over (Under) Expenditures	(15,046)	1,673		
Unencumbered Cash, Beginning	57,488	42,442		
Unencumbered Cash, Ending	$ 42,442	$ 44,115		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursed Expenses	$ 47,738	$ 29,981	$ 20,000	$ 9,981
Operating Transfers	850,000	794,025	1,367,138	(573,113)
Total Receipts	897,738	824,006	$ 1,387,138	$ (563,132)
Expenditures				
Instruction	910,215	879,595	$ 1,384,583	$ (504,988)
Receipts Over (Under) Expenditures	(12,477)	(55,589)		
Unencumbered Cash, Beginning	68,273	55,796		
Unencumbered Cash, Ending	$ 55,796	$ 207		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Revenue from Local Sources	$ 350,210	$ 468,172
Expenditures		
Operations and Maintenance	104,500	226,804
Grant Expenditures	229,746	505,860
Total Expenditures	334,246	732,664
Receipts Over (Under) Expenditures	15,964	(264,492)
Prior Year Cancelled Encumbrances	-	10,892
Unencumbered Cash, Beginning	556,581	572,545
Unencumbered Cash, Ending	$ 572,545	$ 318,945

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 2,374,619	$ 2,547,450	$ 2,659,573	$ (112,123)
Expenditures				
KPERS Retirement	2,374,619	2,547,754	$ 2,659,573	$ (111,819)
Receipts Over (Under) Expenditures	-	(304)		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ (304)		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Interest on Idle Funds	$ -	$ -
Expenditures		
Operating Transfers	270,248	-
Receipts Over (Under) Expenditures	(270,248)	-
Unencumbered Cash, Beginning	429,475	159,227
Unencumbered Cash, Ending	$ 159,227	$ 159,227

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
TEXTBOOK AND STUDENT MATERIAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 197,543	$ 231,208
Expenditures		
Instruction	308,365	418,556
Receipts Over (Under) Expenditures	(110,822)	(187,348)
Prior Year Cancelled Encumbrances	-	314
Unencumbered Cash, Beginning	603,134	492,312
Unencumbered Cash, Ending	$ 492,312	$ 305,278

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUNDS I, II & III (ESSER I, II & III)
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 454,785	$ 947,738
Expenditures		
Instruction	719,163	362,806
Student Support Services	142,326	16,764
School Administration	82,971	93,712
Transportation Services	31,975	-
Total Expenditures	976,435	473,282
Receipts Over (Under) Expenditures	(521,650)	474,456
Unencumbered Cash, Beginning	(312,214)	(833,864)
Unencumbered Cash, Ending	$ (833,864)	$ (359,408)

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Property Tax	$ 6,203,867	$ 6,989,267	$ 6,880,629	$ 108,638
Delinquent Tax	50,307	43,263	78,419	(35,156)
Motor Vehicle Tax	314,318	424,226	416,661	7,565
Recreational Vehicle Tax	959	1,898	2,077	(179)
State Aid	571,732	523,347	523,347	-
Bond Premium Proceeds	268,053	-	-	-
Interest on Idle Funds	-	306	100,000	(99,694)
Total Receipts	7,409,236	7,982,307	$ 8,001,133	$ (18,826)
Expenditures				
Principal	2,095,000	2,175,000	2,175,000	-
Interest	3,868,874	5,077,792	5,077,792	-
Total Expenditures	5,963,874	7,252,792	$ 7,252,792	$ -
Receipts Over (Under) Expenditures	1,445,362	729,515		
Unencumbered Cash, Beginning	6,031,725	7,477,087		
Unencumbered Cash, Ending	$ 7,477,087	$ 8,206,602		

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
CONSTRUCTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Bond proceeds	$ 69,733,151	$ -
Interest on Idle Funds	1,206,180	1,022,496
Reimbursments	-	552
Total Receipts	70,939,331	1,023,048
Expenditures		
Construction	16,504,079	41,246,198
Receipts Over (Under) Expenditures	54,435,252	(40,223,150)
Prior Year Cancelled Encumbrances	-	43,744
Unencumbered Cash, Beginning	2,565,560	57,000,812
Unencumbered Cash, Ending	$ 57,000,812	$ 16,821,406

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
SCHOLARSHIP FUND
SUMMARY OF RECEIPTS AND DISBURSEMENTS REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2023)

	Prior Year Actual	Current Year Actual
Receipts		
Interest on Idle Funds	$ 140	$ 137
Expenditures		
Scholarships	2,250	1,875
Receipts Over (Under) Expenditures	(2,110)	(1,738)
Unencumbered Cash, Beginning	97,872	95,762
Unencumbered Cash, Ending	$ 95,762	$ 94,024

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Piper High School				
Advance Placement Program	$ 2,365	$ 20,550	$ 17,751	$ 5,164
Anime Club	4	-	4	-
Auction	3,044	635	-	3,679
Band	35	-	-	35
Baseball Club	3,635	19,767	20,829	2,573
Black Leaders of America	1,964	791	403	2,352
Bowling	310	-	90	220
Boys Basketball	95	922	505	512
Boys Soccer	1,046	6,526	6,715	857
Boys Swimming	922	-	2,443	(1,521)
Cheerleading	4,676	27,689	23,716	8,649
Chess Club	700	98	72	726
Coke Fund	-	900	-	900
Compass	-	841	684	157
Cross Country	91	4,089	684	3,496
Culinary	-	822	195	627
Cyber Defense Pirates	(216)	-	-	(216)
Dance Squad	1,701	12,111	12,472	1,340
DECA	-	3,594	530	3,064
Diversity Club	1,098	-	1,098	-
Dude Be Nice	-	5	-	5
Earth Club	-	490	50	440
Entrepreneurship	1,045	5,370	2,404	4,011
Esports	520	-	520	-
FCA	1,664	3,580	773	4,471
FCCLA	445	15,969	11,787	4,627
Fishing Club	555	-	555	-
Football	654	38,223	17,051	21,826
Girls Basketball	1,153	3,643	1,188	3,608
Girls Soccer	2,724	10,904	8,412	5,216
Girls Swimming	1,565	189	-	1,754
Golf	186	2,000	124	2,062
GSA	(23)	9,200	7,340	1,837
Heart Savers for K-12 CPR/AED	(30)	830	810	(10)
HOSA	852	-	-	852
Junior Class	8,391	22,954	12,829	18,516
KEY Club	891	77	-	968
Latinx	-	289	-	289
Life Skills	1,192	1,617	978	1,831
Mental Health/AP Psych	218	-	-	218
NSDA	-	-	729	(729)
Piper Graphics	3,805	17,668	13,159	8,314

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Pirate Bay	$ 24,244	$ 52,526	$ 48,074	$ 28,696
Powerlifting	4,109	8,843	2,391	10,561
Publications	7,131	27,829	6,821	28,139
Real World Learning	879	-	-	879
Robotics	2,680	12,260	8,160	6,780
Scholars Bowl	473	208	-	681
Senior Class	328	-	-	328
Softball	3,916	3,558	604	6,870
Staff Scholarship Award	301	-	-	301
Student Council	7,597	2,867	4,639	5,825
General Activity Account	4,974	4,937	30,371	(20,460)
Track	4,941	915	3,263	2,593
Tri-M Society	992	-	369	623
Tyler Jobe Memorial Scholarship	1,602	-	-	1,602
Volleyball	1,562	287	843	1,006
Weightroom	23,514	2,869	1,212	25,171
Wrestling	6,223	6,625	10,461	2,387
Subtotal Piper High School	142,743	356,067	284,108	214,702
Piper Middle School				
Cheerleaders	11,726	5,052	21,326	(4,548)
Drama	2,187	-	197	1,990
Enrollment	220	-	220	-
FCCLA	4	2,864	2,332	536
Grant funds	422	1,000	-	1,422
Music	90	-	-	90
National Junior Honor Society	3,486	-	938	2,548
Piper Honor Organization	244	292	-	536
Student Council	2,389	5,673	4,387	3,675
Student Services	(4,978)	579		(4,399)
Student Incentives	1,789	-	-	1,789
Yearbook	14,444	7,040	20,118	1,366
Subtotal Piper Middle School	32,023	22,500	49,518	5,005
Piper Creek Elementary School				
Art	2,364	-	89	2,275
Band	787	-	-	787
Grant Funds	(4)	-	-	(4)
STEM Fund	63	-	-	63
Student Council	277	1,977	1,921	333
Social Committee	433	1,375	1,277	531
Yearbook	2,144	1,942	-	4,086
General Activity Account	1,627	6,000	11,959	(4,332)
Subtotal Piper Creek Elementary School	7,691	11,294	15,246	3,739

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Piper Prairie Elementary School				
General Activity Account	$ 91,706	$ -	$ 67,066	$ 24,640
Art	2,885	-	-	2,885
Fundraisers	18,488	70,611	2,956	86,143
Future Ready	-	785	-	785
Social Committee	176	970	973	173
Yearbook	7,507	9,870	6,536	10,841
Subtotal Prairie Creek Elementary School	120,762	82,236	77,531	125,467
Early Childhood Center				
General Activity Account	17,054	4,244	10,625	10,673
Social Committee	-	335	314	21
Subtotal Early Childhood Center	17,054	4,579	10,939	10,694
Total student activity funds	320,273	476,676	437,342	359,607
Sales Tax				
Piper High School	960	146	21	1,085
Piper Middle School	5	1,361	1,211	155
Piper Creek Elementary School	-	199	24	175
Piper Prairie Elementary School	(266)	-	-	(266)
Total Sales Tax	699	1,706	1,256	1,149
Petty Cash				
Piper High School	(163)	2,582	1,929	490
Piper Middle School	6	140	-	146
Piper Creek Elementary School	156	431	703	(116)
Piper Prairie Elementary School	500	-	100	400
Total Petty Cash	499	3,153	2,732	920
Payroll Clearing	59,209	62,748	107,218	14,739
Total agency funds	$ 380,680	$ 544,283	$ 548,548	$ 376,415

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 203, PIPER, KANSAS CITY, KANSAS
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts:					
Piper High School	$ (30,150)	$ 94,101	$ 121,827	$ (57,876)	$ (57,876)
Piper Middle School	36,229	42,989	24,607	54,611	54,611
Subtotal Gate Receipts	6,079	137,090	146,434	(3,265)	(3,265)
School Projects					
Piper High School	14,823	46,726	43,206	18,343	18,343
Piper Middle School	532	65	-	597	597
Piper Creek Elementary School	22,689	35,355	27,330	30,714	30,714
Piper Prairie Elementary School	4,223	265	28	4,460	4,460
Early Childhood Center	7,445	10,042	2,596	14,891	14,891
Subtotal School Projects	49,712	92,453	73,160	69,005	69,005
Total District Activity Funds	$ 55,791	$ 229,543	$ 219,594	$ 65,740	$ 65,740

UNIFIED SCHOOL DISTRICT NO. 203

SINGLE AUDIT SECTION

JUNE 30, 2024

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide,* the financial statement of Unified School District No. 203, as of and for the year ended June 30, 2024, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated January 29, 2025. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 203's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing our opinion on the effectiveness of Unified School District No. 203's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 203's internal control.

Our consideration of internal control was for the limited purpose described in the first 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 were not identified. However, as described in the accompanying schedule of findings and questioned costs as items we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 203's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 203's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Unified School District No. 203's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Unified School District No. 203'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. 203's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
January 29, 2025

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 203's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 203's major federal programs for the year ended June 30, 2024. Unified School District No. 203's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 203 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Unified School District No. 203's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or errors, and express and opinion on Unified School District No. 203's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Uniform

Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Unified School District's No. 203's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing Standards, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Unified School District No. 203's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Unified School District No. 203's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 203's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questions costs as item 2024-004. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a 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 2024-004 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's No. 203's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Unified School District's No. 203's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

SSC CPAs, P.A.

SSC CPAs, P.A.
Topeka, Kansas
January 29, 2025

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

SUMMARY OF AUDITOR'S RESULTS

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

2. One material weakness was identified and two significant deficiencies were reported in the design or operation of internal control over financial reporting.

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

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

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

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

7. The program tested as a major program was Assistance Listing Number 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. 203 was determined to not be a low-risk auditee.

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

FINDINGS – FINANCIAL STATEMENT

2024-001 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. Receipts and expenditures were not posted to the proper funds causing the need for adjustments to multiple funds, as well as adjustments for cancelled encumbrances and a bank transfer.

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.

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

Criteria: Management is responsible for implementing internal controls to ensure that proper segregation of duties exist over adjusting journal entries.

Condition: During the course of our audit, we noted that there is no formal review and approval process for adjusting journal entries. The District allows certain individuals to prepare and post journal entries without review or approval.

Cause: The District's policies and procedures lack of a process that provides segregation of duties and proper approval of adjusting journal entries.

Effect: Adjusting journal entries were made without review and approval of the entries by someone other than the individual posting the entry. This increases the likelihood of a material misstatement of the financial statement and/or misappropriation of District assets.

Recommendation: We recommend that the Board of Education and management create a formal journal entry review and approval process that requires an authorized approval signature for every adjusting journal entry made into the general ledger software.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures for review of adjusting journal entries.

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

Criteria: Management is responsible for implementing internal controls to ensure proper segregation of duties exist over check authorization.

Condition: During the course of our audit, we noted that payments for the agency/activity funds were printed on preauthorized checks.

Cause: The District's policies and procedures lack of a process that provides segregation of duties and proper authorization of expenditures with live signatures on checks for the agency/activity funds.

Effect: School secretaries input the expenditures into the general ledger software, print checks and reconcile the bank statements with little to no external monitoring. This increases the likelihood of a material misstatement of the financial statement and/or misappropriation of agency/activity funds.

Recommendation: We recommend that the school principals approve invoices prior to payment and that the authorized signatures are live, rather than preauthorized.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and plans to develop proper policies and procedures for proper check authorization for the agency/activity funds.

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

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2024-004 Preparation of and 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: Education Stabilization Fund
Assistance Listing Number: 84.425
Award Period: June 30, 2024

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, 2024. 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.

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.

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. 203
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT

2023-001 Internal Controls over Financial Statement Presentation (Material Weakness)

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

Status: Corrective action has not been taken. See finding 2024-001.

2023-002 Internal Control over Bank and Investment Reconciliations (Material Weakness)

Finding Summary: District's policies and procedures were not designed to ensure proper reconciliation of bank and investment accounts to the District's cash summary.

Status: Corrective action has been taken.

2023-003 Internal Controls over Compliance with Kansas Statutes (Significant Deficiency)

Finding Summary: Inadequate design of internal controls to ensure compliance with Kansas Statutes causing expenditures in excess of budget limits violating K.S.A 79-2935.

Status: Corrective action has been taken.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

2023-004 Internal Control over Schedule of Expenditures of Federal Awards (Material Weakness)

Finding Summary: There was an inadequate design of internal control over compliance with Uniform Guidance over the preparation of the schedule of expenditures of federal awards for the year ended June 30, 2023.

Status: Corrective action has not been taken. See finding 2024-004.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 203
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

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	10.553	Kansas State Department of Education	School Breakfast--3529-3490	$ 56,997
National School Lunch Program	10.555	Kansas State Department of Education	Supply Chain Assistance--3530-3500	457,468
Summer Food Service Program for Children	10.559	Kansas State Department of Education	Cash for Commodities--3530-3500	69,055
Total United States Department of Agriculture				583,520
Total Child Nutrition Cluster-Cluster				583,520
Other Programs				
United States Department of Agriculture				
Local Food for Schools Cooperative Agreement Program	10.185	Kansas State Department of Education	Local Food for Schools--3230-3020	8,635
Total United States Department of Agriculture				8,635
Department of Education				
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education	Title I--3532-3520	140,195
Career and Technical Education -- Basic Grants to States	84.048	Kansas State Department of Education	Perkins V--3539-3590	28,006
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education	Title II--3526-3860	35,301
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education	ESSA FloThru--3113-3113	13,683
Education Stabilization Fund (COVID-19)	84.425	Kansas State Department of Education	ESSER--3233-3040	560,833
Total Department of Education				778,018
Total Other Programs				786,653
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,370,173

No awards were passed through to subrecipients

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

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 203 (the District) and is presented on the regulatory basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. DE MINIMIS INDIRECT COST RATE

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