UNIFIED SCHOOL DISTRICT NO. 447
Cherryvale, Kansas

Independent Auditors' Report and
Regulatory Basis Financial Statement
With Supplementary Information

For the Year Ended June 30, 2025

Unified School District No. 447
Cherryvale, Kansas
Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2025

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Unified School District No. 447
Cherryvale, Kansas
Regulatory Basis Financial Statement
For the Fiscal Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 447
Cherryvale, 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. 447, Cherryvale, 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 accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District, as of June 30, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *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 1 of the financial statement, the financial statement is prepared by the District, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Other Matters

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, and schedule of regulatory basis receipts and expenditures-agency funds, and summary schedule of regulatory basis receipts, expenditures, and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for 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 information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

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. 447, Cherryvale, Kansas, as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated May 23, 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 web site of the Kansas Department of Administration at the following link https://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 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 2024 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 7, 2026, on our consideration of the District'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 the District's internal control over financial reporting and compliance.

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
August 7, 2026

Unified School District No. 447
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(2)	$ 1	4,539	7,034,855	7,034,625	4,770	134,728	139,498
Supplemental General	(2)	38,392	3,579	2,304,935	2,255,833	91,073	545	91,618
Special Purpose:								
Pre-School Aged At-Risk	(2)	10,179	7	70,000	58,430	21,756	4,636	26,392
At Risk K-12	(2)	218,439	529	1,533,194	1,569,802	182,360	69,977	252,337
Bilingual Education				1,128		1,128		1,128
Virtual Education		10,595		17,250	24,000	3,845		3,845
Capital Outlay		2,145,979		605,016	1,191,383	1,559,612		1,559,612
Driver Training		31,931		11,842	37,197	6,576		6,576
Food Service	(2)	216,471	508	638,241	648,431	206,789		206,789
Professional Development		54,672		2,346	31,956	25,062		25,062
Special Education		451,987		1,045,236	1,048,786	448,437		448,437
Career and Postsecondary Education	(2)	163,480	209	304,114	304,421	163,382	14,806	178,188
Gifts and Grants	(2)	13,349	56	72,152	69,232	16,325	3,697	20,022
KPERS Special Retirement Contribution				704,989	704,989			
Contingency Reserve		514,924			6,493	508,431		508,431
Textbook and Student Material Revolving		67,097		6,309	3,850	69,556		69,556
Recreation Commission		2,418		113,690	110,399	5,709		5,709
Elementary/Secondary School Emergency Relief		(1,129,566)		1,339,725	210,159			
Title I	(2)	10,573	416	265,957	250,185	26,761	3,320	30,081
Title II				31,844	31,844			
Title IV-A		722		24,649	24,649	722		722
Gate Receipts		6,398		97,338	87,205	16,531		16,531
Special Projects		6,287		10,384	6,733	9,938		9,938
Bond and Interest:								
Bond and Interest		162,266				162,266		162,266
Total Primary Government	(1)	2,996,594	9,843	16,235,194	15,710,602	3,531,029	231,709	3,762,738

Composition of Cash:	
Demand Deposits	3,833,979
Petty Cash Authorization	1,200
Less: Agency Funds	(72,441)
Total Primary Government (1)	3,762,738

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

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

Note 1 Summary of Significant Accounting Policies

The financial statement and schedules of Unified School District No. 447, Cherryvale, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 447, and includes the primary government only, with no related municipal entities.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide 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 revenues 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 Kansas Municipal Audit and Accounting Guide 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.

Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following Regulatory Basis Fund Types comprise the financial activities of the District for the year ending June 30, 2025:

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

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

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

Agency Funds -- funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. Under Kansas State Law, the State of Kansas will fund all employer pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 municipality 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 municipality did hold a revenue neutral rate hearing for the year ending June 30, 2025.

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. During the year ended June 30, 2025, the District had no such amendments. Subsequent to adopting this budget, the State of Kansas cut the budgets of the General Fund and the Supplemental General Fund to the legal maximum amounts of $6,997,377 and $2,255,833, respectively. These legal maximum budget amounts are computed based on audited full-time equivalent enrollment.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Gifts and Grants Fund
Contingency Reserve Fund
Textbook and Student Material Revolving Fund
Elementary/Secondary School Emergency Relief Fund
Title I Fund
Title II Fund
Title IV-A Fund
Gate Receipts Fund
Special Projects Fund

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

Note 2 Deposits and Investments

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

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

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 had no investments at June 30, 2025 and held no investments throughout the year.

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

At June 30, 2025, the carrying amount of the District's deposits was $3,833,979 and the bank balance was $4,829,583. Of the bank balance, $268,727 was covered by federal depository insurance and the remaining $4,560,856 was collateralized with securities held by the pledging financial institutions' agents in the School's name.

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

Note 3 Long-term Debt

Changes in Long-Term Debt

Changes in long-term debt for the year ending June 30, 2025 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Lease Purchase Agreements:									
High School HVAC System	3.33%	2/15/2018	815,000	10/01/2027	311,555		85,151	226,404	10,162
Buses and Equipment	3.23%	6/30/2019	568,593	9/30/2025	110,623		93,781	16,842	2,266
Total Contractual Indebtedness					422,178	-	178,932	243,246	12,428

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

	Lease Purchase Agreements	
	Principal	Interest
2025-26	$ 105,289	6,941
2026-27	91,459	3,854
2027-28	46,498	1,158
Total	243,246	11,953

Note 4 Risk Management

Insurance Coverage

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 5 Interfund Transfers

From	To	Regulatory Authority	Amount
General Fund	At Risk K-12 Fund	K.S.A. 72-5167	$ 1,219,182
General Fund	Virtual Education Fund	K.S.A. 72-5167	17,250
General Fund	Food Service Fund	K.S.A. 72-5167	84,581
General Fund	Special Education Fund	K.S.A. 72-5167	653,784
Supplemental General Fund	Pre-School Aged At-Risk Fund	K.S.A. 72-5143	70,000
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-5143	1,128
Supplemental General Fund	At Risk K-12 Fund	K.S.A. 72-5143	314,012
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	368,536
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	293,260

Note 6 Other Long-Term Obligations from Operations

Compensated Absences

Twelve month classified personnel are granted two weeks (10 working days) vacation annually. An employee must have been employed a minimum of one year and less than five years for two weeks' vacation. Employees having been employed less than one year but at least one-half year, qualify for one week of vacation.

Twelve month classified personnel are granted three weeks (15 working days) vacation annually after completing five (5) years of employment. The Superintendent and Principals receive 20 days' vacation annually, which is non-accumulative. All fulltime employees are granted 11 days sick leave at the beginning of the school year. 10 days are granted to the employee and one day is included in the sick leave pot. Unused sick leave shall accumulate with a limit of 80 days at the end of the fiscal year. Sick leave may also be used in the event of serious illness in the immediate family and is used to cover absences to attend funerals of family or friends.

Any licensed employee leaving the District after 12 consecutive years of service shall receive 50% of the current substitute teacher's rate of pay per day for each unused day of accumulated sick leave. Those leaving and retiring from the District (as defined by KPERS) shall receive 60% of a current substitute teacher's pay per day for each unused day of accumulated sick leave. Staff members that have accumulated over 80 days of sick leave shall be paid annually for the days in excess of 80, at the prescribed rate of 50% of a substitute teacher's rate of pay.

The liability for accrued vacation and sick pay is not reflected in the financial statement. Neither the actual or estimated liability could be reasonably estimated at June 30, 2025. The cost of vacation and sick pay are recognized as expenditures when paid.

Defined Benefit Pension Plan

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

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 of 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 contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 11.60% and 11.54%, respectively, for the fiscal year ended June 30, 2025.

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

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

The 2022 Legislature passed Senate Bill 421, which authorized the State of Kansas to transfer $1.125 billion from the State General Fund directly to KPERS in Fiscal Years 2022 and 2023. The first $253.9 million paid off outstanding accounts receivable for KPERS-School employer 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 $704,989 from the State of Kansas for the year ended June 30, 2025.

Net Pension Liability. At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $5,789,236 The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025. The 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, 2025. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

Note 7 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

No violations.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 8 Subsequent Events

The District has evaluated subsequent events through August 7, 2026, the date which the financial statement was available to be issued.

SUPPLEMENTARY INFORMATION

Unified School District No. 447
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	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)
Governmental Type Funds:						
General	$ 7,304,705	(307,328)	37,248	7,034,625	7,034,625	
Supplemental General	2,359,202	(103,369)		2,255,833	2,255,833	
Special Purpose:						
Pre-School Aged At-Risk	78,500			78,500	58,430	(20,070)
At Risk K-12	1,758,713			1,758,713	1,569,802	(188,911)
Bilingual Education	1,180			1,180		(1,180)
Virtual Education	30,595			30,595	24,000	(6,595)
Capital Outlay	2,488,000			2,488,000	1,191,383	(1,296,617)
Driver Training	40,000			40,000	37,197	(2,803)
Food Service	775,000			775,000	648,431	(126,569)
Professional Development	37,172			37,172	31,956	(5,216)
Special Education	1,396,000			1,396,000	1,048,786	(347,214)
Career and Postsecondary Education	398,000			398,000	304,421	(93,579)
KPERS Special Retirement Contribution	846,659			846,659	704,989	(141,670)
Recreation Commission	110,399			110,399	110,399	
Bond and Interest:						
Bond and Interest						
Totals	17,624,125	(410,697)	37,248	17,250,676	15,020,252	(2,230,424)

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Reimbursements	$ 65,927	37,248		37,248
Revenue from State Sources				
General State Aid	6,394,453	6,366,779	6,181,239	185,540
Mineral Production Tax	653	536	750	(214)
Special Education Aid	585,969	630,292	815,387	(185,095)
Total Revenue from State Sources	6,981,075	6,997,607	6,997,376	231
Total Cash Receipts	7,047,002	7,034,855	6,997,376	37,479
Expenditures and Transfers				
Instruction				
Salaries - Licensed	2,105,081	2,299,281	2,330,000	(30,719)
Group Insurance	351,578	312,904	382,261	(69,357)
Social Security	176,431	191,502	180,000	11,502
Other Employee Benefits	45,409	74,363	170,000	(95,637)
General Teaching Supplies	17,057	9,482	15,000	(5,518)
Textbooks			500	(500)
Technology Supplies	11,217	11,181	15,000	(3,819)
Property (Equipment & Furnishings)	176	6,145	1,000	5,145
Other	25,029	11,930	20,000	(8,070)
Total Instruction	2,731,978	2,916,788	3,113,761	(196,973)
Support Services - Students				
Salaries - Licensed	84,711	96,964	90,000	6,964
Group Insurance	35,323	28,585	40,000	(11,415)
Social Security	8,498	5,609	10,000	(4,391)
Other Employee Benefits	2,730	3,016	10,000	(6,984)
Supplies and Materials		1,244		1,244
General Teaching Supplies	1,091		1,000	(1,000)
Total Support Services - Students	132,353	135,418	151,000	(15,582)
Support Services - Instr. Staff				
Salaries - Licensed	62,356	63,854	65,000	(1,146)
Salaries - Non Licensed	26,137	29,036	30,000	(964)
Group Insurance	10,712	18,465	12,000	6,465
Social Security	6,798	7,060	8,000	(940)
Other Employee Benefits	1,793	684	7,500	(6,816)
Books and Periodicals	9,517	7,032	10,000	(2,968)
Technology Supplies	2,743	3,807	5,000	(1,193)
Miscellaneous Supplies	3,468	1,103	5,000	(3,897)
Property (Equipment & Furnishings)	2,753	1,510	5,000	(3,490)
Total Support Services - Instr. Staff	126,277	132,551	147,500	(14,949)
General Administration				
Salaries - Licensed	113,086	112,047	115,000	(2,953)
Salaries - Non Licensed	102,704	105,835	105,000	835
Group Insurance	20,450	23,596	35,000	(11,404)
Social Security	15,640	14,977	16,000	(1,023)
KPERS Working After Retirement	1,083			
Other Employee Benefits	1,823	9,395	12,000	(2,605)
Purchased Professional and Technical Services	12,446	4,697	15,000	(10,303)
Insurance	10,515	13,869	12,000	1,869
Communication Services	885	717	3,000	(2,283)
Supplies and Materials	1,549	8,176		8,176
General Teaching Supplies	3,523		5,000	(5,000)
Other	29,249	24,231	30,000	(5,769)
Total General Administration	312,953	317,540	348,000	(30,460)

Unified School District No. 447
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
School Administration				
Salaries - Licensed	$ 254,583	303,235	260,000	43,235
Salaries - Non Licensed	124,229	129,281	129,000	281
Group Insurance	53,051	56,838	55,000	1,838
Social Security	28,333	32,381	30,000	2,381
Other Employee Benefits	5,968	18,804	25,000	(6,196)
Other	4,890		5,000	(5,000)
Total School Administration	471,054	540,539	504,000	36,539
Support Services - Business				
Salaries - Non Licensed	95,767	102,004	100,000	2,004
Group Insurance	4,140	18,333	5,000	13,333
Social Security	7,511	7,656	9,000	(1,344)
Other Employee Benefits	170	1,999	4,500	(2,501)
Purchased Professional and Technical Services	15,401	12,970	17,500	(4,530)
Total Support Services - Business	122,989	142,962	136,000	6,962
Operations and Maintenance				
Salaries - Non Licensed	406,790	426,935	410,000	16,935
Group Insurance	66,125	81,647	70,000	11,647
Social Security	28,558	29,623	32,000	(2,377)
Other Employee Benefits	8,758	17,313	25,000	(7,687)
Purchased Professional and Technical Services	20,214	31,599		31,599
Cleaning Services	3,520	3,840	5,000	(1,160)
Repairs and Maintenance	20,922	42,921	25,000	17,921
Property (Equipment & Furnishings)		9,600		9,600
Total Operations and Maintenance	554,887	643,478	567,000	76,478
Monitoring Services				
Salaries - Non Licensed	125,300	147,954	160,000	(12,046)
Group Insurance	13,507	16,695	15,000	1,695
Social Security	11,449	11,170	15,000	(3,830)
Other Employee Benefits	3,818	4,384	10,000	(5,616)
Other	1,195	797	10,000	(9,203)
Total Monitoring Services	155,269	181,000	210,000	(29,000)
Vehicle Servicing/Maintenance				
Purchased Professional and Technical Services	2,842	2,186		2,186
Other Purchased Services	1,386	1,868		1,868
Staff Travel	125	134		134
Supplies and Materials	2,100	1,116		1,116
General Teaching Supplies	1,152			
Property (Equipment & Furnishings)	7,066	35,661		35,661
Equipment	30,671			
Other			25,000	(25,000)
Total Vehicle Servicing/Maintenance	45,342	40,965	25,000	15,965
Support Services - Other				
Social Security	8			
Supplies and Materials	2,159	8,587		8,587
General Teaching Supplies	50,276			
Total Support Services - Other	52,443	8,587		8,587
Fund Transfers				
At Risk K-12	1,198,733	1,219,182	1,267,057	(47,875)
Capital Outlay	435,962			
Virtual Education		17,250	20,000	(2,750)
Food Service		84,581		84,581
Professional Development	25,000			
Special Education	632,163	653,784	815,387	(161,603)
Career and Postsecondary Education	50,000			
Total Fund Transfers	2,341,858	1,974,797	2,102,444	(127,647)

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Budget Adjustments				
Legal Max Adjustment	$		(307,328)	307,328
Budget Credit Adjustment			37,248	(37,248)
Total Expenditures and Transfers	7,047,403	7,034,625	7,034,625	
Receipts Over (Under) Expenditures and Transfers	(401)	230		
Unencumbered Cash, Beginning	402	1		
Prior Year Encumbrances Cancelled		4,539		
Unencumbered Cash, Ending	1	4,770		

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 442,292	568,757	523,527	45,230
Delinquent Taxes	23,413	22,997	7,621	15,376
Total Revenue from Local Sources	465,705	591,754	531,148	60,606
Revenue from County Sources				
Motor Vehicle Tax	58,703	59,207	60,455	(1,248)
Recreational Vehicle Tax	1,032	964	968	(4)
Commercial Vehicle Tax	2,150	1,562	2,483	(921)
Revenue in Lieu of Taxes		1,307		1,307
Total Revenue from County Sources	61,885	63,040	63,906	(866)
Revenue from State Sources				
Supplemental State Aid	1,679,300	1,650,141	1,622,387	27,754
Total Cash Receipts	2,206,890	2,304,935	2,217,441	87,494
Expenditures and Transfers				
Instruction				
Salaries - Non Licensed	70,201		110,000	(110,000)
Group Insurance	24,973	88,286		88,286
Social Security	1,741	6,093	2,500	3,593
Other Employee Benefits	22	75	5,000	(4,925)
Purchased Professional and Technical Services	110,763	133,705	120,000	13,705
Other Miscellaneous Purchased Services	12,707	26,659	15,000	11,659
General Teaching Supplies	121,207	150,970	127,124	23,846
Textbooks	12,495	720	15,000	(14,280)
Technology Supplies	23,034	57,257	40,000	17,257
Miscellaneous Supplies	740	437	30,000	(29,563)
Property (Equipment & Furnishings)	23,869	13,815	25,000	(11,185)
Other	965	4,159	10,000	(5,841)
Total Instruction	402,717	482,176	499,624	(17,448)
Support Services - Students				
Supplies and Materials	49	48	5,000	(4,952)
General Teaching Supplies	94			
Total Support Services - Students	143	48	5,000	(4,952)
General Administration				
Purchased Professional and Technical Services			15,000	(15,000)
Communication Services	3,610	6,153	15,000	(8,847)
Other	4,445	3,400	15,000	(11,600)
Total General Administration	8,055	9,553	45,000	(35,447)
School Administration				
Communication Services	70	89		89
Supplies and Materials	2,904	8,482		8,482
General Teaching Supplies	4,544		15,000	(15,000)
Property (Equipment & Furnishings)	1,852	749	5,000	(4,251)
Total School Administration	9,370	9,320	20,000	(10,680)

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Operations and Maintenance				
Purchased Professional and Technical Services	$ 6,737	3,238		3,238
Water/Sewer Services (Non-Energy)	34,703	34,555	45,000	(10,445)
Repairs and Maintenance	78,128	68,308	75,000	(6,692)
Repair of Buildings	25,166	17,586		17,586
Insurance	101,037	150,154	125,000	25,154
Supplies and Materials	18,305	27,532		27,532
General Teaching Supplies	19,728		35,000	(35,000)
Heating	23,354	25,366	35,000	(9,634)
Electricity	168,230	187,630	185,000	2,630
Motor Fuel	8,715	7,502	15,000	(7,498)
Books and Periodicals	701			
Property (Equipment & Furnishings)	164	970	25,000	(24,030)
Other	5,672	7,692	15,000	(7,308)
Total Operations and Maintenance	490,640	530,533	555,000	(24,467)
Vehicle Operation Services				
Equipment and Vehicle Services	96,047	96,047	96,047	
Insurance	31,407	34,011	45,000	(10,989)
Motor Fuel	54,828	45,114	70,000	(24,886)
Other			10,000	(10,000)
Total Vehicle Operation Services	182,282	175,172	221,047	(45,875)
Support Services - Other				
Other Miscellaneous Purchased Services	1,550	2,095		2,095
Fund Transfers				
Pre-School Aged At-Risk	65,000	70,000	70,800	(800)
Bilingual Education	1,118	1,128	1,180	(52)
At Risk K-12	334,584	314,012	340,197	(26,185)
Driver Training			10,000	(10,000)
Food Service	73,371			
Special Education	372,553	368,536	266,354	102,182
Career and Postsecondary Education	295,000	293,260	325,000	(31,740)
Total Fund Transfers	1,141,626	1,046,936	1,013,531	33,405
Budget Adjustments				
Legal Max Adjustment			(103,369)	103,369
Total Expenditures and Transfers	2,236,383	2,255,833	2,255,833	
Receipts Over (Under) Expenditures and Transfers	(29,493)	49,102		
Unencumbered Cash, Beginning	67,885	38,392		
Prior Year Encumbrances Cancelled		3,579		
Unencumbered Cash, Ending	38,392	91,073		

Unified School District No. 447
Pre-School Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	$ 65,000	70,000	70,800	(800)
Total Cash Receipts	65,000	70,000	70,800	(800)
Expenditures and Transfers				
Instruction				
Salaries - Licensed	45,451	45,749	50,000	(4,251)
Group Insurance	7,730	8,895	8,500	395
Social Security	3,408	3,414	5,000	(1,586)
Other Employee Benefits	196	372	5,000	(4,628)
General Teaching Supplies	8,311		10,000	(10,000)
Total Expenditures and Transfers	65,096	58,430	78,500	(20,070)
Receipts Over (Under) Expenditures and Transfers	(96)	11,570		
Unencumbered Cash, Beginning	10,275	10,179		
Prior Year Encumbrances Cancelled		7		
Unencumbered Cash, Ending	10,179	21,756		

Unified School District No. 447
At Risk K-12 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 1,198,733	1,219,182	1,267,057	(47,875)
Transfer from Supplemental General Fund	334,584	314,012	340,197	(26,185)
Total Cash Receipts	1,533,317	1,533,194	1,607,254	(74,060)
Expenditures and Transfers				
Instruction				
Salaries - Licensed	1,051,884	1,018,032	1,178,713	(160,681)
Salaries - Non Licensed	194,334	199,355	210,000	(10,645)
Group Insurance	141,236	198,824	155,000	43,824
Social Security	90,383	118,266	110,000	8,266
Other Employee Benefits	8,796	22,772	75,000	(52,228)
Purchased Professional and Technical Services	19,928	9,200	20,000	(10,800)
General Teaching Supplies	5,438	3,353	10,000	(6,647)
Total Expenditures and Transfers	1,511,999	1,569,802	1,758,713	(188,911)
Receipts Over (Under) Expenditures and Transfers	21,318	(36,608)		
Unencumbered Cash, Beginning	197,121	218,439		
Prior Year Encumbrances Cancelled		529		
Unencumbered Cash, Ending	218,439	182,360		

Unified School District No. 447
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)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	$ 1,118	1,128	1,180	(52)
Total Cash Receipts	1,118	1,128	1,180	(52)
Expenditures and Transfers				
Instruction				
Salaries - Licensed			1,180	(1,180)
Other	1,118			
Total Expenditures and Transfers	1,118		1,180	(1,180)
Receipts Over (Under) Expenditures and Transfers		1,128		
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending		1,128		

Unified School District No. 447
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$	17,250	20,000	(2,750)
Total Cash Receipts		17,250	20,000	(2,750)
Expenditures and Transfers				
Instruction				
Purchased Professional and Technical Services	20,475	24,000	30,595	(6,595)
Total Expenditures and Transfers	20,475	24,000	30,595	(6,595)
Receipts Over (Under) Expenditures and Transfers	(20,475)	(6,750)		
Unencumbered Cash, Beginning	31,070	10,595		
Unencumbered Cash, Ending	10,595	3,845		

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 238,188	257,824	249,556	8,268
Delinquent Taxes	11,675	11,458	4,105	7,353
Interest on Investments	8,706	70,538	10,000	60,538
Other Revenue From Local Sources		558		558
Total Revenue from Local Sources	258,569	340,378	263,661	76,717
Revenue from County Sources				
Motor Vehicle Tax	31,414	31,616	32,444	(828)
Recreational Vehicle Tax	473	517	520	(3)
Commercial Vehicle Tax	1,154	841	1,333	(492)
Revenue in Lieu of Taxes		635		635
Total Revenue from County Sources	33,041	33,609	34,297	(688)
Revenue from State Sources				
General State Aid	215,649	231,029	231,260	(231)
Operating Transfers				
Transfer from General Fund	435,962			
Total Cash Receipts	943,221	605,016	529,218	75,798
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)			450,000	(450,000)
Support Services - Students				
Property (Equipment & Furnishings)	21		100,000	(100,000)
Support Services - Instr. Staff				
Property (Equipment & Furnishings)			100,000	(100,000)
General Administration				
Property (Equipment & Furnishings)			250,000	(250,000)
Site Acquisition	700			
Total General Administration	700		250,000	(250,000)
Operations and Maintenance				
Rentals/Leases	95,313	95,313	125,000	(29,687)
Repair of Buildings	167,262	471,403	528,000	(56,597)
Other Purchased Property Services	175,000			
Total Operations and Maintenance	437,575	566,716	653,000	(86,284)
Vehicle Operation Services				
Property (Equipment & Furnishings)			150,000	(150,000)
Facilities Acquisition/Construction				
Site Acquisition			15,000	(15,000)
Site Improvement			300,000	(300,000)
Architecture and Engineering Services			50,000	(50,000)
Building Repair and Remodeling			420,000	(420,000)
Total Facilities Acquisition/Construction			785,000	(785,000)
Architectural and Engineering Services				
Site Improvement		624,667		624,667
Total Expenditures and Transfers	438,296	1,191,383	2,488,000	(1,296,617)
Receipts Over (Under) Expenditures and Transfers	504,925	(586,367)		
Unencumbered Cash, Beginning	1,641,054	2,145,979		
Unencumbered Cash, Ending	2,145,979	1,559,612		

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	$ 4,815	4,156	4,500	(344)
Revenue from State Sources				
General State Aid	5,800	7,686	7,155	531
Operating Transfers				
Transfer from General Fund			10,000	(10,000)
Total Cash Receipts	10,615	11,842	21,655	(9,813)
Expenditures and Transfers				
Instruction				
Salaries - Licensed		34,712	30,000	4,712
Social Security		2,040	5,000	(2,960)
Other Employee Benefits	14	427	1,000	(573)
General Teaching Supplies	340	18	1,500	(1,482)
Other			1,000	(1,000)
Total Instruction	354	37,197	38,500	(1,303)
Operations and Maintenance				
Motor Fuel			1,500	(1,500)
Other	152			
Total Operations and Maintenance	152		1,500	(1,500)
Total Expenditures and Transfers	506	37,197	40,000	(2,803)
Receipts Over (Under) Expenditures and Transfers	10,109	(25,355)		
Unencumbered Cash, Beginning	21,822	31,931		
Unencumbered Cash, Ending	31,931	6,576		

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Student Sales	$ 79,958	73,172	86,464	(13,292)
Adults and Non-Reimbursable Programs	4,109	3,475	3,542	(67)
Other Revenue From Local Sources	12,009	37,513		37,513
Total Revenue from Local Sources	96,076	114,160	90,006	24,154
Revenue from State Sources				
General State Aid	3,893	3,808	2,939	869
Revenue from Federal Sources				
Federal Financial Assistance	406,660	408,328	458,718	(50,390)
Fresh Fruits and Vegetables Grant	28,166	27,364		27,364
Other Federal Financial Assistance	25,195		60,000	(60,000)
Total Revenue from Federal Sources	460,021	435,692	518,718	(83,026)
Operating Transfers				
Transfer from General Fund		84,581		84,581
Transfer from Supplemental General Fund	73,371			
Total Operating Transfers	73,371	84,581		84,581
Total Cash Receipts	633,361	638,241	611,663	26,578
Expenditures and Transfers				
Food Service Operations				
Salaries - Non Licensed	219,241	219,757	250,000	(30,243)
Group Insurance	41,136	30,273	50,000	(19,727)
Social Security	15,062	14,875	17,500	(2,625)
Other Employee Benefits	4,890	1,580	12,500	(10,920)
Other Miscellaneous Purchased Services	1,740	1,911	5,000	(3,089)
Food and Milk	319,307	338,466	400,000	(61,534)
Miscellaneous Supplies	26,593	30,266	30,000	266
Property (Equipment & Furnishings)	1,298	9,732	5,000	4,732
Other	1,145	1,571	5,000	(3,429)
Total Expenditures and Transfers	630,412	648,431	775,000	(126,569)
Receipts Over (Under) Expenditures and Transfers	2,949	(10,190)		
Unencumbered Cash, Beginning	213,522	216,471		
Prior Year Encumbrances Cancelled		508		
Unencumbered Cash, Ending	216,471	206,789		

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 1,687	2,346	7,500	(5,154)
Operating Transfers				
Transfer from General Fund	25,000			
Total Cash Receipts	26,687	2,346	7,500	(5,154)
Expenditures and Transfers				
Support Services - Instr. Staff				
Purchased Professional and Technical Services	22,995		25,000	(25,000)
Other Professional and Technical Services			10,000	(10,000)
Staff Travel	10,173	16,968		16,968
Miscellaneous Supplies	3,870	14,988	2,172	12,816
Total Expenditures and Transfers	37,038	31,956	37,172	(5,216)
Receipts Over (Under) Expenditures and Transfers	(10,351)	(29,610)		
Unencumbered Cash, Beginning	65,023	54,672		
Unencumbered Cash, Ending	54,672	25,062		

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Federal Sources				
Medicaid Title XIX	$ 40,732	22,916	50,000	(27,084)
Operating Transfers				
Transfer from General Fund	632,163	653,784	815,387	(161,603)
Transfer from Supplemental General Fund	372,553	368,536	266,354	102,182
Total Operating Transfers	1,004,716	1,022,320	1,081,741	(59,421)
Total Cash Receipts	1,045,448	1,045,236	1,131,741	(86,505)
Expenditures and Transfers				
Instruction				
Salaries - Non Licensed			50,000	(50,000)
Group Insurance			5,000	(5,000)
Social Security			2,500	(2,500)
Other Employee Benefits			2,500	(2,500)
LEA Payments to COOP's/Interlocals	419,143	488,688	500,000	(11,312)
LEA State Aid Flowthrough Payments to COOP's/Interlocals	580,412	550,411	750,000	(199,589)
Other Miscellaneous Purchased Services	8,800	9,662	40,000	(30,338)
General Teaching Supplies		25		25
Total Instruction	1,008,355	1,048,786	1,350,000	(301,214)
Vehicle Operation Services				
Salaries - Non Licensed			15,000	(15,000)
Social Security			1,000	(1,000)
Other Sources of Student Transportation Services			5,000	(5,000)
Property (Equipment & Furnishings)			25,000	(25,000)
Other	25,918			
Total Vehicle Operation Services	25,918		46,000	(46,000)
Total Expenditures and Transfers	1,034,273	1,048,786	1,396,000	(347,214)
Receipts Over (Under) Expenditures and Transfers	11,175	(3,550)		
Unencumbered Cash, Beginning	440,812	451,987		
Unencumbered Cash, Ending	451,987	448,437		

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	$	402		402
Revenue from State Sources				
CTE Transportation State Aid	10,953	10,452	11,700	(1,248)
Revenue from Federal Sources				
Other Federal Financial Assistance	8,760		10,000	(10,000)
Operating Transfers				
Transfer from General Fund	50,000			
Transfer from Supplemental General Fund	295,000	293,260	325,000	(31,740)
Total Operating Transfers	345,000	293,260	325,000	(31,740)
Total Cash Receipts	364,713	304,114	346,700	(42,586)
Expenditures and Transfers				
Instruction				
Salaries - Licensed	205,394	206,450	275,000	(68,550)
Group Insurance	23,098	33,287	30,000	3,287
Social Security	15,508	15,382	21,000	(5,618)
Other Employee Benefits	1,237	1,340	15,000	(13,660)
Other Miscellaneous Purchased Services	15,499	19,185	20,000	(815)
General Teaching Supplies	21,175	22,556	20,000	2,556
Textbooks			2,000	(2,000)
Technology Supplies	4,737	3,455		3,455
Property (Equipment & Furnishings)	5,861	2,766	10,000	(7,234)
Other	1,936			
Total Instruction	294,445	304,421	393,000	(88,579)
Operations and Maintenance				
Property (Equipment & Furnishings)			5,000	(5,000)
Total Expenditures and Transfers	294,445	304,421	398,000	(93,579)
Receipts Over (Under) Expenditures and Transfers	70,268	(307)		
Unencumbered Cash, Beginning	93,212	163,480		
Prior Year Encumbrances Cancelled		209		
Unencumbered Cash, Ending	163,480	163,382		

Unified School District No. 447
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	$ 57	
Revenue from State Sources		
Kansas Safe and Secure Schools	10,207	9,871
Mental Health Intervention Grant	60,625	47,531
Total Revenue from State Sources	70,832	57,402
Revenue from Federal Sources		
Federal Financial Assistance	344,684	14,750
Total Cash Receipts	415,573	72,152
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)	18,831	21,852
Support Services - Students		
Salaries - Non Licensed	36,148	36,259
Group Insurance	2,686	7,461
Social Security	2,298	2,000
Other Employee Benefits	333	723
Purchased Professional and Technical Services	15,248	
Supplies and Materials	411	937
Miscellaneous Supplies	806	
Property (Equipment & Furnishings)	4,000	
Total Support Services - Students	61,930	47,380
Total Expenditures and Transfers	80,761	69,232
Receipts Over (Under) Expenditures and Transfers	334,812	2,920
Unencumbered Cash, Beginning	(321,463)	13,349
Prior Year Encumbrances Cancelled		56
Unencumbered Cash, Ending	13,349	16,325

Unified School District No. 447
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 769,689	704,989	846,659	(141,670)
Total Cash Receipts	769,689	704,989	846,659	(141,670)
Expenditures and Transfers				
Instruction				
Other Employee Benefits	559,488	463,640	615,437	(151,797)
Support Services - Students				
Other Employee Benefits	21,650	28,613	23,815	4,798
Support Services - Instr. Staff				
Other Employee Benefits	10,172	10,678	11,189	(511)
General Administration				
Other Employee Benefits	24,356	28,406	26,793	1,613
School Administration				
Other Employee Benefits	48,951	67,490	53,846	13,644
Support Services - Business				
Other Employee Benefits	12,850	17,728	14,135	3,593
Operations and Maintenance				
Other Employee Benefits	46,925	49,556	51,618	(2,062)
Student Transportation				
Other Employee Benefits	19,473	17,728	21,420	(3,692)
Food Service Operations				
Other Employee Benefits	25,824	21,150	28,406	(7,256)
Total Expenditures and Transfers	769,689	704,989	846,659	(141,670)
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 447
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	$	
Expenditures and Transfers		
General Administration		
Purchased Professional and Technical Services	34,168	
Other Miscellaneous Purchased Services	32,213	6,493
Total Expenditures and Transfers	66,381	6,493
Receipts Over (Under) Expenditures and Transfers	(66,381)	(6,493)
Unencumbered Cash, Beginning	581,305	514,924
Unencumbered Cash, Ending	514,924	508,431

Unified School District No. 447
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Local Sources			
Rental Fees and Books	$	5,574	6,309
Total Cash Receipts		5,574	6,309
Expenditures and Transfers			
Instruction			
Textbooks			3,850
Total Expenditures and Transfers			3,850
Receipts Over (Under) Expenditures and Transfers		5,574	2,459
Unencumbered Cash, Beginning		61,523	67,097
Unencumbered Cash, Ending		67,097	69,556

Unified School District No. 447
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 89,315	96,731	93,581	3,150
Delinquent Taxes	4,424	4,355	1,539	2,816
Total Revenue from Local Sources	93,739	101,086	95,120	5,966
Revenue from County Sources				
Motor Vehicle Tax	11,786	11,857	12,167	(310)
Recreational Vehicle Tax	171	194	194	
Commercial Vehicle Tax	433	315	500	(185)
Revenue in Lieu of Taxes		238		238
Total Revenue from County Sources	12,390	12,604	12,861	(257)
Total Cash Receipts	106,129	113,690	107,981	5,709
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	110,042	110,399	110,399	
Total Expenditures and Transfers	110,042	110,399	110,399	
Receipts Over (Under) Expenditures and Transfers	(3,913)	3,291		
Unencumbered Cash, Beginning	6,331	2,418		
Unencumbered Cash, Ending	2,418	5,709		

Unified School District No. 447
Elementary/Secondary School Emergency Relief Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 322,960	1,339,725
Total Cash Receipts	322,960	1,339,725
Expenditures and Transfers		
Instruction		
Salaries - Licensed	197,264	20,074
Salaries - Non Licensed	622	485
Social Security	1,777	1,688
Other Employee Benefits	23	1,450
Purchased Professional and Technical Services	50,311	
Professional-Education Services	948	
General Teaching Supplies	16,147	
Property (Equipment & Furnishings)	117,717	8,685
Total Instruction	384,809	32,382
Support Services - Students		
Salaries - Non Licensed	760	
Social Security	58	
Other Employee Benefits	1	
Supplies and Materials	139	
General Teaching Supplies	1,928	
Total Support Services - Students	2,886	
Support Services - Instr. Staff		
Purchased Professional and Technical Services	234	
Operations and Maintenance		
Repair of Buildings	529,658	177,777
Supplies and Materials	347	
Property (Equipment & Furnishings)	36,197	
Total Operations and Maintenance	566,202	177,777
Total Expenditures and Transfers	954,131	210,159
Receipts Over (Under)		
Expenditures and Transfers	(631,171)	1,129,566
Unencumbered Cash, Beginning	(498,395)	(1,129,566)
Unencumbered Cash, Ending	(1,129,566)	

Unified School District No. 447
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 295,512	265,957
Total Cash Receipts	295,512	265,957
Expenditures and Transfers		
Instruction		
Salaries - Licensed	166,622	91,107
Salaries - Non Licensed	86,774	92,870
Group Insurance	13,030	17,603
Social Security	15,024	13,717
Other Employee Benefits	620	1,330
General Teaching Supplies	2,054	4,645
Property (Equipment & Furnishings)	727	
Total Instruction	284,851	221,272
Support Services - Students		
Salaries - Licensed		2,000
Purchased Professional and Technical Services		26,402
Total Support Services - Students		28,402
Support Services - Instr. Staff		
Other Purchased Services	88	511
Total Expenditures and Transfers	284,939	250,185
Receipts Over (Under) Expenditures and Transfers	10,573	15,772
Unencumbered Cash, Beginning		10,573
Prior Year Encumbrances Cancelled		416
Unencumbered Cash, Ending	10,573	26,761

Unified School District No. 447
Title II Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	33,405	31,844
Total Cash Receipts		33,405	31,844
Expenditures and Transfers			
Instruction			
Salaries - Licensed		32,182	31,844
Social Security		1,203	
Other Employee Benefits		20	
Total Expenditures and Transfers		33,405	31,844
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 447
Title IV-A Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Totals for the Prior Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$ 27,120	24,649
Total Cash Receipts	27,120	24,649
Expenditures and Transfers		
Instruction		
Salaries - Non Licensed	24,431	24,649
Group Insurance	860	
Social Security	1,055	
Other Employee Benefits	52	
Total Expenditures and Transfers	26,398	24,649
Receipts Over (Under) Expenditures and Transfers	722	
Unencumbered Cash, Beginning		722
Unencumbered Cash, Ending	722	722

Unified School District No. 447
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)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over (Under)
Cash Receipts				
None	$			
Expenditures and Transfers				
None				
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning	162,266	162,266		
Unencumbered Cash, Ending	162,266	162,266		

Unified School District No. 447
Cherryvale, Kansas
Agency Funds
Schedule of Receipts and Cash Disbursements
For the Year Ended June 30, 2025

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School/Middle School:				
HS Yearbook	$ 2,041	2,785	1,926	2,900
HS Band	4,214	15,753	10,701	9,266
HS Cheerleading	1,596	4,077	5,143	530
MS Cheerleading	2,355	687	1,220	1,822
Class of 2019	3,089			3,089
Class of 2020	2,422			2,422
Class of 2021	550			550
Class of 2022	694			694
Class of 2023	1,076			1,076
Class of 2024	1,040			1,040
Class of 2025	3,012		1,442	1,570
Class of 2026	9,034	13,354	17,148	5,240
Class of 2027	-	23,116	15,143	7,973
Concert Choir	110		45	65
Drama Club	6,079	6,153	7,577	4,655
FBLA	3,000	10,741	11,150	2,591
FCCLA	384			384
FFA	7,505	45,137	51,601	1,041
Fine Arts	277			277
Kay Club	5,908	4,072	3,993	5,987
LC Stuco	217			217
LC Yearbook	1,352	91	1,511	(68)
Lego Club	255			255
MS Boys Basketball	68	1,148	1,269	(53)
SNV	188			188
Spanish Club	301			301
Special Ed-Middle School	620	4,952	4,894	678
HS Stuco	1,072	1,659	2,565	166
MS Stuco	1,155	2,321	2,481	995
Lincoln Central Elementary:				
Christmas Card	540	260		800
KIDZ Local	-	500	452	48
Chess Club	-	1,240	695	545
Miscellaneous	257	84	12	329
Thayer Learning Center:				
Thayer Acres Agricultural Center	10,921	37,167	36,729	11,359
Flyer Fans	1,208	20,800	19,430	2,578
Life 101	1,765		1,765	-
Music	259	259	374	144
Stucco	85		85	-
Other Agency Funds:				
Sales Tax	(68)	855		787
Total Agency Funds	74,581	197,211	199,351	72,441

Unified School District No. 447
Cherryvale, Kansas
District Activity Funds
Summary of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
High School/Middle School:						
Athletics	$ 2,512	56,766	52,486	6,792		6,792
Baseball	21	500		521		521
MS Girls Basketball	262	5,243	3,700	1,805		1,805
HS Boys Basketball	793	356	252	897		897
HS Football	383	150	249	284		284
HS Volleyball	565	1,714	2,277	2		2
MS Volleyball	(44)	763	600	119		119
MS Football	92			92		92
Softball	471	1,341	1,456	356		356
Track	7			7		7
HS Girls Basketball	646	7,960	4,652	3,954		3,954
HS Wrestling	322	1,051	1,230	143		143
Thayer Learning Center:						
MBL	368	10,989	11,290	67		67
Concessions	-	10,505	9,013	1,492		1,492
Subtotal Gate Receipts	6,398	97,338	87,205	16,531	-	16,531
Special Projects:						
Thayer Learning Center:						
Beef Raffle	4,563		4,563	-		-
Beef Sticks	-	1,827	1,262	565		565
Playground Fundraisers	960	434	192	1,202		1,202
Lunch Donations	-	1,134	234	900		900
Reimbursable District Expense	-		442	(442)		(442)
Greg Buster Memorial	-	6,880		6,880		6,880
School Supplies Fund	30	10	40	-		-
Yearbook	734	99		833		833
Subtotal Special Projects	6,287	10,384	6,733	9,938	-	9,938
Total District Activity Funds	12,685	107,722	93,938	26,469	-	26,469

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

Board of Education
Unified School District No. 447
Cherryvale, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 447, Cherryvale, Kansas, (the District) as of and for the year ended June 30, 2025, and have issued our report thereon dated August 7, 2026, which was qualified because the District prepares its financial statement to meet the requirements of the State of Kansas 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) to determine the 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 an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
August 7, 2026

Rodney M. Burns
CPA

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

Board of Education
Unified School District No. 447
Cherryvale, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Unified School District No. 447, Cherryvale, Kansas, (the District) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with 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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of 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. Given those limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Rodney M. Burns, CPA, LLC
Rodney M. Burns, CPA, LLC
Certified Public Accountants

Chanute, Kansas
August 7, 2026

Unified School District No. 447
Cherryvale, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

I. Summary of Independent Auditors' Results

Financial Statement:
The independent auditors' report expresses an adverse opinion on the financial statement of Unified School District No. 447 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an unmodified opinion on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported
Non compliance or other matters required to be reported under *Government Auditing Standards?*	_____	Yes	X	No

Federal Awards:
Internal control over major programs:

Material weakness(es) identified?	_____	Yes	X	No
Significant deficiency(ies) identified?	_____	Yes	X	None reported

The independent auditors' report on compliance for the major federal award programs for Unified School District No. 447 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	X	No

Identification of major programs:

U.S. Department of Agriculture
Child Nutrition Cluster:

School Breakfast Program	CFDA #10.553
National School Lunch Program	CFDA #10.555
Summer Food Service Program for Children	CFDA #10.559
Fresh Fruits and Vegetables Program	CFDA #10.582

The threshold for distinguishing Types A and B programs was $750,000.

Auditee qualified as a low risk auditee?	_____	Yes	X	No

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

Unified School District No. 447
Cherryvale, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures	
U.S. Department of Agriculture					
Passed through State Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	D0447	10.553	$ 96,025	96,025	
National School Lunch Program	D0447	10.555	239,255	239,255	
Summer Food Service Program for Children	D0447	10.559	73,047	73,047	
Fresh Fruits and Vegetables Program	D0447	10.582	27,364	27,364	
	Total Child Nutrition Cluster		435,691	435,691	(1)
Total U.S. Department of Agriculture			435,691	435,691	
U.S. Department of Education					
Passed through State Department of Education					
Title I Grant to Local Educational Agencies	D0447	84.010	265,957	250,184	
Supporting Effective Instruction State Grants	D0447	84.367	31,844	31,844	
Student Support and Academic Enrichment Program	D0447	84.424	24,649	24,649	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)- COVID-19	D0447	84.425U	1,339,725	210,159	
Passed through Southeast Kansas Education Service Center					
Career and Technical Education - Basic Grants to States		84.048	1,404	1,404	
Total U.S. Department of Education			1,663,579	518,240	
U.S. Department of Health and Human Services					
Passed through Kansas Department of Education					
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) - COVID-19	D0447	93.323	14,749	14,749	
Total U.S. Department of Health and Human Services			14,749	14,749	
Total Federal Awards			2,114,019	968,680	

(1) This program was considered to be a major program

No awards were passed through to subrecipients

Note to the Schedule of Expenditures of Federal Awards:

Note A: General

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal financial assistance programs of Unified School District No. 447, Cherryvale, Kansas (the District). The reporting entity is defined in Note 1 of the District's basic financial statement. Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies are included on the Schedule.

Note B: Indirect Cost Rate

The District did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance

Note C: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is presented using the regulatory basis of accounting, which is described in Note 1 of the District's basic financial statement. This is the same basis of accounting used in the District's regulatory basis financial statement. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 financial position, changes in net assets, or cash flows of the District.