UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2025

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UNIFIED SCHOOL DISTRICT NO. 497
Financial Statements
For the Year Ended June 30, 2025

Table of Contents

	Page Number
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4
Notes to the Financial Statements	5 - 14
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	15
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	16
Supplemental General Fund	17
Adult Basic Education Fund	18
At Risk (4 Year Old) Fund	19
Adult Supplemental Education Fund	20
At Risk (K-12) Fund	21
Bilingual Education Fund	22
Virtual Education Fund	23
Capital Outlay Fund	24
Driver Training Fund	25
Food Service Fund	26
Professional Development Fund	27
Parent Education Program Fund	28
Summer School Fund	29
Special Education Fund	30
Cost of Living Fund	31
Career and Postsecondary Education Fund	32
KPERS Special Retirement Contribution Fund	33
Contingency Reserve Fund	34
Student Material Revolving Fund	35
Grants Fund	36
Bond and Interest Fund	37
Special Assessment Fund	38
School Workers' Compensation Reserve Fund	39
Health Care Services Reserve Fund	40

UNIFIED SCHOOL DISTRICT NO. 497
Financial Statements
For the Year Ended June 30, 2025

Table of Contents
(Continued)

	Page Number
SCHEDULE 3	
Schedule of Receipts, Expenditures and Unencumbered Cash Private and Other Purpose Trust Funds	41
SCHEDULE 4	
Schedule of Receipts and Disbursements Agency Funds	42
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	43
Notes to the Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45 - 47
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*	48 - 49
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; And Report on the Schedule of Expenditures Of Federal Awards Required by the Uniform Guidance	50 - 51

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, Kansas (the District), as of and for the year ended June 30, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2025, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of receipts, expenditures and unencumbered cash and the summary of receipts and disbursements-agency funds (Schedules 1, 2, 3 and 4) as listed in the table of contents are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

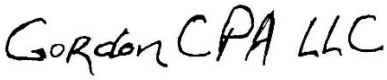
In accordance with *Government Auditing Standards,* we have also issued our report dated November 24, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Matters

Other Matter

The 2024 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2025 (Schedule 2 as listed in the table of contents), is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated November 25, 2024, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website 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 ended June 30, 2025, (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2024, on the basis of accounting described in Note 1.



Certified Public Accountant
Lawrence, Kansas

November 24, 2025

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 90,228,298	$ 90,228,298	$ -	$ 4,550,138	$ 4,550,138
Supplemental General	2,273,338	-	29,359,663	28,791,344	2,841,657	279,770	3,121,427
Special Purpose Funds:							
Adult Basic Education	748,601	-	532,589	494,317	786,873	16,380	803,253
At Risk (4 Year Old)	116,227	-	515,090	530,994	100,323	60,932	161,255
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	4,342,416	-	12,647,495	12,502,614	4,487,297	1,723,658	6,210,955
Bilingual Education	103,276	-	624,223	619,272	108,227	30,787	139,014
Virtual Education	327,885	-	2,526,519	2,522,550	331,854	182,679	514,533
Capital Outlay	17,076,844	-	22,490,313	20,276,175	19,290,982	4,684,075	23,975,057
Driver Training	19,346	-	-	-	19,346	-	19,346
Food Service	1,233,510	-	5,540,946	5,748,142	1,026,314	93,132	1,119,446
Professional Development	266,868	-	435,262	337,203	364,927	25,711	390,638
Parent Education Program	189,317	-	195,030	202,426	181,921	8,170	190,091
Summer School	48,138	-	21,580	37,780	31,938	7,350	39,288
Special Education	5,155,512	-	33,872,707	33,545,786	5,482,433	2,535,491	8,017,924
Cost of Living	1,599,000	-	2,287,132	2,374,996	1,511,136	-	1,511,136
Career and Postsecondary Education	117,842	-	1,689,628	1,695,662	111,808	208,548	320,356
KPERS Special Retirement Contribution	-	-	9,549,621	9,549,621	-	-	-
Contingency Reserve	4,861,233	-	3,578,888	-	8,440,121	-	8,440,121
Student Material Revolving	2,618,271	-	1,920,765	987,777	3,551,259	73,979	3,625,238
Grants	[2,047,242]	-	5,354,344	4,061,841	[754,739]	353,039	[401,700]
Bond and Interest Fund:							
Bond and Interest	16,478,670	-	15,449,335	13,997,238	17,930,767	-	17,930,767
Special Assessment	454,803	-	1	8,718	446,086	-	446,086
Business Funds:							
School Workers' Compensation Reserve	2,069,815	-	402,113	322,183	2,149,745	71,113	2,220,858
Health Care Services Reserve	1,935,228	-	14,983,411	14,420,065	2,498,574	-	2,498,574
Trust Funds:							
Private Purpose Trust	2,089,750	-	2,099,289	2,175,176	2,013,863	62,226	2,076,089
Total Reporting Entity (excluding Agency Funds)	$ 62,104,630	$ -	$ 256,304,242	$ 245,430,178	$ 72,978,694	$ 14,967,178	$ 87,945,872

Composition of Cash:

U.S. Bank - Checking	$ 84,915,779
Optum Bank - Imprest	25,420
Total Cash	84,941,199
Less: Agency Funds per Schedule 4	3,004,673
Total Reporting Entity (Excluding Agency Funds)	$ 87,945,872

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

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 497 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of $1,178,325 and $43,181 are classified as reimbursed expenses in the General Fund and the Supplemental General Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

General Fund - used to account for the general operations of the District and all unrestricted resources except those required to be accounted for in other funds.

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

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

Trust Fund - funds used to report assets held in trust for the benefit of the District (donations and memorials, etc.)

Business Fund - funds financed in whole or in part by fees charged to users of the goods or services (enterprise and internal service funds).

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Trust Fund - funds used to report assets held in trust for the benefit of the District (donations and memorials, etc.)

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

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory basis receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2025.

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

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

A legal operating budget is not required for business funds, trust funds, agency funds, and the following special purpose funds: Contingency Reserve and Student Material Revolving.

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

NOTE 2 - Deposits and Investments

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

NOTE 2 - Deposits and Investments (Continued)

Investments. 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.

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, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods."

As of June 30, 2025, the District's carrying amount of deposits was $84,941,199 and the bank balance was $86,650,068. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $27,106,693 was covered by federal depository insurance and $59,543,375 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

NOTE 3 - Defined Benefit Pension Plan

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

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

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

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

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

NOTE 3 - Defined Benefit Pension Plan (Continued)

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

In addition, Senate Bill 421 authorizes two additional transfers in Fiscal Year 2023 which totaled $271.1 million. The first transfer of $146.1 million was received 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 employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $9,549,621 for the year ended June 30, 2025.

Net Pension Liability. As of June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $82,521,602. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2024. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 4 - Other Long-Term Obligations

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

Under the *Consolidated Omnibus Budget Reconciliation Act* (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

Death and Disability Other-Post Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2025.

NOTE 5 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2025, the amount for accrued vacation pay was $473,258.

NOTE 6 - Tax-Deferred 403(b) Retirement Plan

The District offers its employees a retirement plan ("Plan") created in accordance with IRS Code section 403(b). The Plan, available to all District employees, permits them to save additional funds for retirement. The investment options under the Plan include annuity contracts and/or custodial accounts. Employees may elect to make contributions of deferred salaries/wages to the Plan to the extent permitted by the Plan. The deferred compensation is not available to the employees until termination, retirement, death or unforeseeable emergency. Plan participants are 100% vested in any elective deferral contributions made to the Plans as of the date such contribution is made.

In addition to the elective deferral plan described above, the District offers a Non-Elective Contribution Employer Paid Deferred Benefit 403(b) Plan ("Employer Paid Plan") for each professional employee employed at least half time in the District. This account is separate from any professional employee paid deferred benefit account, and no employee contributions, via salary reduction or otherwise, shall be allowed into the account.

The District contributes $60 per month ($720 annually), $75 per month ($900 annually) and $85 per month ($1,020 annually) into each full-time professional employee's Employer Paid Account, for classified, certified and administrative employees, respectively. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

FTE	Contribution %
.95 - 1.00	100%
.85 - .94	90%
.75 - .84	80%
.65 - .74	70%
.55 - .64	60%
.50 - .54	50%
Less than .50	0%

A professional employee's ownership in his or her Employer Paid Plan shall vest in yearly increments. A professional employee will receive one year of vesting credit for each contract year completed, starting with the 2008-09 contract year, in which the professional employee is employed at least half-time with the District. The following vesting schedule will be used to determine the professional employee's ownership interest in the funds in the account:

Vesting Service	Vesting %
Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6+	100%

A professional employee shall have access to the fully vested portion of their Employer Paid Account upon separation from service with the District. In the event the professional employee returns to a professional employee position within the District at a future date, the previous years of service will be allowed toward placement on the vesting schedule. District contributions to employees' Employer Paid Plans for the year ending June 30, 2025 was $1,242,541.

NOTE 7 - Risk Management

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

NOTE 7 - Risk Management (Continued)

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are transferred into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditures reported in the School Workers' Compensation Reserve Fund. As of June 30, 2025, such interfund premiums did not exceed reimbursable expenditures.

Unpaid claims are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Unpaid claims include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgements is reported in the School Workers' Compensation Reserve Fund.

Unpaid claims, July 1, 2024	$ 465,474
Incurred claims (including IBNRs)	69,726
Claim payments	[98,878]
Unpaid claims, June 30, 2025	$ 436,322

NOTE 8 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District as of June 30, 2025.

The District is a defendant in various other lawsuits. The outcome of these lawsuits is not presently determinable. However, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

NOTE 9 - Early Retirement Benefits

The District has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full-time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employee Retirement System (KPERS).

The benefits from this plan are computed using a formula based upon salary, age, and KPERS service credit and are payable over a five-year period in January each year. The cost of this plan in the fiscal year ended June 30, 2025 was $1,138,147.

NOTE 9 - Early Retirement Benefits (Continued)

The outstanding liability for this plan is as follows:

Year ended June 30,	
2026	$ 916,980
2027	740,135
2028	431,293
2029	297,903
2030	109,703
	$2,496,014

NOTE 10 - Long-Term Debt

The following table details the District's long-term liabilities, including finance leases, as of June 30, 2025:

Debt Issue	Date Issued	Maturity Date	Interest Rate	Original Amount	Balance June 30, 2025
General Obligation Bonds:					
Series 2012-A Refunding	12/15/2012	9/1/2025	2.00%	$ 9,890,000	$ 4,530,000
Series 2013-A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	24,525,000
Series 2014 A Improvement	12/18/2014	9/1/2034	2.00 - 5.00%	36,000,000	26,100,000
Series 2016-A Refunding & Improvement	1/28/2016	9/1/2035	3.00 - 5.00%	44,045,000	9,600,000
Series 2017-A Improvement	9/28/2017	9/1/2037	3.00 - 5.00%	43,500,000	37,000,000
Series 2018-A Improvement	10/11/2018	9/1/2037	2.50 - 5.00%	43,500,000	39,550,000
Finance Leases:					
Energy savings equipment	7/12/2006	10/12/2025	4.90%	1,683,575	138,214
Facilities & operations real estate	12/15/2017	6/15/2027	2.70%	4,837,711	1,072,984
Field turf	5/22/2018	5/1/2028	3.35%	5,829,030	1,765,058
ESC improvements	2/13/2020	2/1/2030	2.09%	3,000,000	1,576,628
Technology equipment	10/12/2023	10/12/2025	0.00%	2,967,225	989,075
Technology equipment	11/1/2024	11/1/2026	5.79%	804,617	528,726
Technology equipment	4/1/2025	1/31/2027	0.00%	2,415,788	1,610,525
Technology equipment	7/15/2025	7/15/2028	0.00%	4,248,400	4,248,400
				$ 238,721,346	$ 153,234,611

NOTE 10 - Long-Term Debt (Continued)

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

Debt Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
General Obligation Bonds:					
Series 2012-A Refunding	$ 8,470,000	$ -	$ 3,940,000	$ 4,530,000	$ 130,000
Series 2013-A Improvement	25,875,000	-	1,350,000	24,525,000	1,025,113
Series 2014 A Improvement	27,200,000	-	1,100,000	26,100,000	953,125
Series 2016-A Refunding & Improvement	10,390,000	-	790,000	9,600,000	421,500
Series 2017-A Improvement	37,650,000	-	650,000	37,000,000	1,426,281
Series 2018-A Improvement	40,175,000	-	625,000	39,550,000	1,586,219
	149,760,000	-	8,455,000	141,305,000	5,542,238
Finance Leases:					
Energy savings equipment	272,287	-	134,073	138,214	29,244
Facilities & operations real estate	1,588,276	-	515,291	1,072,984	53,065
Field turf	2,312,229	-	547,170	1,765,058	64,625
Technology equipment	1,978,150	-	989,075	989,075	-
ESC improvements	1,872,803	-	296,175	1,576,628	37,512
Technology equipment	1,073,272	-	1,073,272	-	-
Technology equipment	-	4,248,400	-	4,248,400	-
Technology equipment	-	2,415,788	805,263	1,610,525	-
Technology equipment	-	804,617	275,891	528,726	11,647
	9,097,016	7,468,805	4,636,210	11,929,611	196,092
Total	$ 158,857,016	$ 7,468,805	$ 13,091,210	$ 153,234,611	$ 5,738,330

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

Year Ended June 30,	Principal	Interest	Total
2026	$ 8,705,000	$ 5,294,550	$ 13,999,550
2027	8,875,000	4,992,125	13,867,125
2028	9,255,000	4,624,088	13,879,088
2029	9,660,000	4,235,288	13,895,288
2030	10,045,000	3,839,313	13,884,313
2031 - 2035	56,380,000	12,785,025	69,165,025
2036 - 2038	38,385,000	2,049,719	40,434,719
	$ 141,305,000	$ 37,820,106	$ 179,125,106

The District is subject Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-5457.

NOTE 10 - Long-Term Debt (Continued)

Finance Leases. The annual debt service requirements to maturity for the finance leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 3,587,930	$ 130,904	$ 3,718,834
2027	3,557,440	97,663	3,655,103
2028	3,074,957	48,619	3,123,576
2029	1,383,896	11,891	1,395,787
2030	325,388	5,146	330,534
	$ 11,929,611	$ 294,223	$ 12,223,834

NOTE 11 - Interfund Transfers

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

From	To	Amount	Regulatory Authority
General	Bilingual Education	$320,000	K.S.A. 72-6478
General	Virtual Education	2,485,000	K.S.A. 72-6478
General	Food Service	95,610	K.S.A. 72-6478
General	Professional Development	390,000	K.S.A. 72-6478
General	Special Education	17,255,075	K.S.A. 72-6478
General	Career and Postsecondary Education	1,255,000	K.S.A. 72-6478
General	Health Care Service Reserve	1,300,000	K.S.A. 72-6478
General	Contingency Reserve	3,578,888	K.S.A. 72-6478
General	At Risk (4 Year Old)	500,000	K.S.A. 72-6478
General	At Risk (K-12)	9,661,577	K.S.A. 72-6478
General	Student Material Revolving	840,000	K.S.A. 72-6478
Supplemental General	Bilingual Education	302,001	K.S.A. 72-5143
Supplemental General	Parent Education Program	43,000	K.S.A. 72-5143
Supplemental General	Special Education	11,358,224	K.S.A. 72-5143
Supplemental General	At Risk (K-12)	2,946,687	K.S.A. 72-5143
Supplemental General	Career and Postsecondary Education	430,000	K.S.A. 72-5143
General	Health Care Service Reserve	4,310,029	K.S.A. 72-8415a
Supplemental General	Health Care Service Reserve	1,007,816	K.S.A. 72-8415a
Adult Basic Education	Health Care Service Reserve	42,643	K.S.A. 72-8415a
At Risk (4 Year Old)	Health Care Service Reserve	62,697	K.S.A. 72-8415a
At Risk (K-12)	Health Care Service Reserve	1,383,568	K.S.A. 72-8415a
Bilingual Education	Health Care Service Reserve	78,311	K.S.A. 72-8415a
Virtual Education	Health Care Service Reserve	178,208	K.S.A. 72-8415a
Capital Outlay	Health Care Service Reserve	86,752	K.S.A. 72-8415a
Food Service	Health Care Service Reserve	455,382	K.S.A. 72-8415a
Parent Education Program	Health Care Service Reserve	18,143	K.S.A. 72-8415a
Special Education	Health Care Service Reserve	3,267,410	K.S.A. 72-8415a
Career and Postsecondary Education	Health Care Service Reserve	159,580	K.S.A. 72-8415a
Grants	Health Care Service Reserve	253,153	K.S.A. 72-8415a
General	School Workers' Compensation Reserve	161,042	K.S.A. 44-505e
Supplemental General	School Workers' Compensation Reserve	43,417	K.S.A. 44-505e
Adult Basic Education	School Workers' Compensation Reserve	1,808	K.S.A. 44-505e
At Risk (4 Year Old)	School Workers' Compensation Reserve	2,137	K.S.A. 44-505e
At Risk (K-12)	School Workers' Compensation Reserve	50,429	K.S.A. 44-505e
Bilingual Education	School Workers' Compensation Reserve	2,198	K.S.A. 44-505e
Virtual Education	School Workers' Compensation Reserve	7,926	K.S.A. 44-505e
Capital Outlay	School Workers' Compensation Reserve	2,897	K.S.A. 44-505e
Food Service	School Workers' Compensation Reserve	8,846	K.S.A. 44-505e
Professional Development	School Workers' Compensation Reserve	134	K.S.A. 44-505e
Parent Education Program	School Workers' Compensation Reserve	762	K.S.A. 44-505e
Summer School	School Workers' Compensation Reserve	173	K.S.A. 44-505e
Special Education	School Workers' Compensation Reserve	96,395	K.S.A. 44-505e
Career and Postsecondary Education	School Workers' Compensation Reserve	6,539	K.S.A. 44-505e
Grants	School Workers' Compensation Reserve	15,965	K.S.A. 44-505e
Total		$64,465,423	

UNIFIED SCHOOL DISTRICT NO. 497
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Over [Under]
General Funds						
General	$ 92,947,505	$ [3,897,532]	$ 1,178,325	$ 90,228,298	$ 90,228,298	$ -
Supplemental General	29,652,940	[904,777]	43,181	28,791,344	28,791,344	-
Special Purpose Funds:						
Adult Basic Education	949,100	-	-	949,100	494,317	[454,783]
At Risk (4 Year Old)	916,227	-	-	916,227	530,994	[385,233]
Adult Supplemental Education	25,982	-	-	25,982	-	[25,982]
At Risk (K-12)	18,592,416	-	-	18,592,416	12,502,614	[6,089,802]
Bilingual Education	906,279	-	-	906,279	619,272	[287,007]
Virtual Education	4,862,885	-	-	4,862,885	2,522,550	[2,340,335]
Capital Outlay	28,105,011	-	-	28,105,011	20,276,175	[7,828,836]
Driver Training	19,346	-	-	19,346	-	[19,346]
Food Service	7,441,491	-	-	7,441,491	5,748,142	[1,693,349]
Professional Development	761,868	-	-	761,868	337,203	[424,665]
Parent Education Program	384,317	-	-	384,317	202,426	[181,891]
Summer School	142,510	-	-	142,510	37,780	[104,730]
Special Education	40,545,168	-	-	40,545,168	33,545,786	[6,999,382]
Cost of Living	3,900,000	-	-	3,900,000	2,374,996	[1,525,004]
Career and Postsecondary Education	2,349,432	-	-	2,349,432	1,695,662	[653,770]
KPERS Special Retirement Contribution	11,840,117	-	-	11,840,117	9,549,621	[2,290,496]
Grants	8,261,169	-	-	8,261,169	4,061,841	[4,199,328]
Bond and Interest Fund:						
Bond and Interest	14,002,238	-	-	14,002,238	13,997,238	[5,000]
Special Assessment	454,803	-	-	454,803	8,718	[446,085]

UNIFIED SCHOOL DISTRICT NO. 497
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 70,701,936	$ 73,288,467	$ 75,500,305	$ [2,211,838]
Special education aid	12,739,363	15,761,506	17,447,200	[1,685,694]
Reimbursed expenses	1,171,169	1,178,325	-	1,178,325
Total Receipts	84,612,468	90,228,298	$ 92,947,505	$ [2,719,207]
Expenditures				
Instruction	23,551,276	25,127,415	$ 29,192,923	$ [4,065,508]
Student support services	3,782,777	4,324,323	4,477,000	[152,677]
Instructional support staff	1,912,846	2,207,218	2,235,000	[27,782]
General administration	416,298	453,886	510,300	[56,414]
School administration	1,500,624	1,415,487	1,717,000	[301,513]
Central services	1,742,917	1,727,576	1,861,700	[134,124]
Operations and maintenance	11,367,143	12,367,330	11,204,980	1,162,350
Student transportation services	393,846	452,841	450,000	2,841
Transfers out	39,944,741	42,152,222	41,298,602	853,620
Adjustments to comply with legal max	-	-	[3,897,532]	3,897,532
Adjustments for qualifying budget credits	-	-	1,178,325	[1,178,325]
Total Expenditures	84,612,468	90,228,298	$ 90,228,298	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 497
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 22,254,166	$ 24,779,802	$ 25,675,531	$ [895,729]
Delinquent taxes	157,903	184,044	283,380	[99,336]
Motor vehicle taxes	1,451,116	1,529,566	1,370,628	158,938
Reimbursed expenses	54,167	43,181	-	43,181
State aid	3,987,017	2,823,070	2,911,919	[88,849]
Total Receipts	27,904,369	29,359,663	$ 30,241,458	$ [881,795]
Expenditures				
Instruction	844,309	734,483	$ 1,636,405	$ [901,922]
Student support services	314,459	276,211	360,000	[83,789]
Instructional support staff	1,632,845	1,785,611	1,940,000	[154,389]
General administration	203,577	432,085	239,800	192,285
School administration	3,450,975	3,800,516	4,100,000	[299,484]
Central services	3,485,636	3,559,447	4,112,000	[552,553]
Operations and maintenance	38,764	24,716	45,000	[20,284]
Student transportation services	2,198,682	2,047,130	2,350,000	[302,870]
Transfers out	14,842,437	16,131,145	14,869,735	1,261,410
Adjustments to comply with legal max	-	-	[904,777]	904,777
Adjustments for qualifying budget credits	-	-	43,181	[43,181]
Total Expenditures	27,011,684	28,791,344	$ 28,791,344	$ -
Receipts Over [Under] Expenditures	892,685	568,319		
Unencumbered Cash, Beginning	1,380,653	2,273,338		
Unencumbered Cash, Ending	$ 2,273,338	$ 2,841,657		

UNIFIED SCHOOL DISTRICT NO. 497
Adult Basic Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 326,097	$ 341,378	$ 322,092	$ 19,286
Delinquent taxes	3,575	3,431	4,110	[679]
Motor vehicle taxes	33,840	31,347	28,579	2,768
Federal aid	92,864	93,787	100,000	[6,213]
State aid	61,258	57,076	65,000	[7,924]
Reimbursed expenses	1,803	1,208	-	1,208
Miscellaneous	7,286	4,362	8,000	[3,638]
Total Receipts	526,723	532,589	$ 527,781	$ 4,808
Expenditures				
Instruction	328,243	319,674	$ 785,000	$ [465,326]
Student support services	33,755	34,197	36,000	[1,803]
Instructional support staff	59,991	63,823	78,100	[14,277]
Operations and maintenance	32,172	32,172	50,000	[17,828]
Transfers out	37,897	44,451	-	44,451
Total Expenditures	492,058	494,317	$ 949,100	$ [454,783]
Receipts Over [Under] Expenditures	34,665	38,272		
Unencumbered Cash, Beginning	713,936	748,601		
Unencumbered Cash, Ending	$ 748,601	$ 786,873		

UNIFIED SCHOOL DISTRICT NO. 497
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Miscellaneous	$ 19,338	$ 13,350	$ -	$ 13,350
Reimbursed expenses	3,039	1,740	-	1,740
Transfers in	587,092	500,000	800,000	[300,000]
Total Receipts	609,469	515,090	$ 800,000	$ [284,910]
Expenditures				
Instruction	351,541	$ 326,718	$ 760,227	$ [433,509]
Instructional support staff	95,143	-	110,200	[110,200]
School administration	35,314	139,442	45,800	93,642
Transfers out	65,388	64,834	-	64,834
Total Expenditures	547,386	530,994	$ 916,227	$ [385,233]
Receipts Over [Under] Expenditures	62,083	[15,904]		
Unencumbered Cash, Beginning	54,144	116,227		
Unencumbered Cash, Ending	$ 116,227	$ 100,323		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Adult Supplemental Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Miscellaneous	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Instruction	-	-	$ 25,982	$ [25,982]
Total Expenditures	-	-	$ 25,982	$ [25,982]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	25,982	25,982		
Unencumbered Cash, Ending	$ 25,982	$ 25,982		

UNIFIED SCHOOL DISTRICT NO. 497
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Reimbursed expenses	$ 47,025	$ 39,231	$ 50,000	$ [10,769]
Transfers in	12,369,147	12,608,264	14,200,000	[1,591,736]
Total Receipts	12,416,172	12,647,495	$ 14,250,000	$ [1,602,505]
Expenditures				
Instruction	9,504,772	10,963,985	$ 18,484,416	$ [7,520,431]
Instructional support staff	80,762	104,632	108,000	[3,368]
Transfers out	1,110,406	1,433,997	-	1,433,997
Total Expenditures	10,695,940	12,502,614	$ 18,592,416	$ [6,089,802]
Receipts Over [Under] Expenditures	1,720,232	144,881		
Unencumbered Cash, Beginning	2,622,184	4,342,416		
Unencumbered Cash, Ending	$ 4,342,416	$ 4,487,297		

UNIFIED SCHOOL DISTRICT NO. 497
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Reimbursed expenses	$ 2,847	$ 2,222	$ 3,000	$ [778]
Transfers in	666,488	622,001	800,000	[177,999]
Total Receipts	669,335	624,223	$ 803,000	$ [178,777]
Expenditures				
Instruction	341,730	364,033	$ 608,279	$ [244,246]
Student support services	84,919	1,960	198,000	[196,040]
Instructional support staff	130,399	172,770	100,000	72,770
Transfers out	61,552	80,509	-	80,509
Total Expenditures	618,600	619,272	$ 906,279	$ [287,007]
Receipts Over [Under] Expenditures	50,735	4,951		
Unencumbered Cash, Beginning	52,541	103,276		
Unencumbered Cash, Ending	$ 103,276	$ 108,227		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Reimbursed expenses	$ 6,850	$ 10,670	$ -	$ 10,670
Miscellaneous	23,210	30,849	35,000	[4,151]
Transfers in	2,504,000	2,485,000	4,500,000	[2,015,000]
Total Receipts	2,534,060	2,526,519	$ 4,535,000	$ [2,008,481]
Expenditures				
Instruction	1,738,067	1,930,669	$ 4,374,885	$ [2,444,216]
Student support services	143,649	148,284	161,000	[12,716]
Instructional support staff	7,312	42,015	12,000	30,015
School administration	228,307	213,948	305,000	[91,052]
Operations and maintenance	4,527	1,501	10,000	[8,499]
Transfers out	141,506	186,133	-	186,133
Total Expenditures	2,263,368	2,522,550	$ 4,862,885	$ [2,340,335]
Receipts Over [Under] Expenditures	270,692	3,969		
Unencumbered Cash, Beginning	57,193	327,885		
Unencumbered Cash, Ending	$ 327,885	$ 331,854		

UNIFIED SCHOOL DISTRICT NO. 497
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 12,971,513	$ 13,753,476	$ 12,974,547	$ 778,929
Delinquent taxes	120,417	107,307	165,109	[57,802]
Motor vehicle taxes	880,300	900,997	810,814	90,183
Reimbursed expenses	51,197	14,217	-	14,217
Interest income	-	-	50,000	[50,000]
Lease proceeds	2,967,225	7,468,805	-	7,468,805
Miscellaneous	2,867,647	218,101	2,027,696	[1,809,595]
Flood control	23,409	27,410	-	27,410
Total Receipts	19,881,708	22,490,313	$ 16,028,166	$ 6,462,147
Expenditures				
Instruction	7,089,241	10,756,374	$ 8,644,490	$ 2,111,884
Student support services	-	26,501	10,000	16,501
Instructional support staff	9,221	9,883	10,000	[117]
School administration	18,700	12,607	10,000	2,607
Central services	-	412,593	800,000	[387,407]
Operations and maintenance	1,485,726	1,959,907	800,000	1,159,907
Other support services	306,901	149,588	100,000	49,588
Facility acquisition and construction services	9,226,830	6,859,073	17,730,521	[10,871,448]
Transfers out	83,811	89,649	-	89,649
Total Expenditures	18,220,430	20,276,175	$ 28,105,011	$ [7,828,836]
Receipts Over [Under] Expenditures	1,661,278	2,214,138		
Unencumbered Cash, Beginning	15,415,566	17,076,844		
Unencumbered Cash, Ending	$ 17,076,844	$ 19,290,982		

UNIFIED SCHOOL DISTRICT NO. 497
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Charges for services	$ -	$ -	$ -	$ -
Total Receipts	-	-	$ -	$ -
Expenditures				
Instruction	-	-	$ 19,346	$ [19,346]
Total Expenditures	-	-	$ 19,346	$ [19,346]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	19,346	19,346		
Unencumbered Cash, Ending	$ 19,346	$ 19,346		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 3,217,178	$ 3,593,782	$ 3,385,859	$ 207,923
State aid	41,456	42,090	31,600	10,490
Charges for services	1,719,307	1,809,455	2,690,472	[881,017]
Miscellaneous	-	-	50	[50]
Investment income	7	9	-	9
Transfers in	82,846	95,610	100,000	[4,390]
Total Receipts	5,060,794	5,540,946	$ 6,207,981	$ [667,035]
Expenditures				
Food service operation	5,291,442	5,283,914	$ 7,441,491	$ [2,157,577]
Transfers out	373,139	464,228	-	464,228
Total Expenditures	5,664,581	5,748,142	$ 7,441,491	$ [1,693,349]
Receipts Over [Under] Expenditures	[603,787]	[207,196]		
Unencumbered Cash, Beginning	1,837,297	1,233,510		
Unencumbered Cash, Ending	$ 1,233,510	$ 1,026,314		

UNIFIED SCHOOL DISTRICT NO. 497
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Miscellaneous	$ 2,949	$ 3,309	$ -	$ 3,309
State aid	41,360	41,953	45,000	[3,047]
Transfers in	250,000	390,000	450,000	[60,000]
Total Receipts	294,309	435,262	$ 495,000	$ [59,738]
Expenditures				
Instructional support staff	273,437	319,787	$ 756,868	$ [437,081]
Student support services	-	106	-	106
School administration	3,755	17,176	-	17,176
Central services	-	-	5,000	[5,000]
Transfers out	249	134	-	134
Total Expenditures	277,441	337,203	$ 761,868	$ [424,665]
Receipts Over [Under] Expenditures	16,868	98,059		
Unencumbered Cash, Beginning	250,000	266,868		
Unencumbered Cash, Ending	$ 266,868	$ 364,927		

UNIFIED SCHOOL DISTRICT NO. 497
Parent Education Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Federal aid	$ 12,817	$ 10,264	$ 15,000	$ [4,736]
State aid	131,208	134,158	150,000	[15,842]
Miscellaneous	42,994	7,608	60,000	[52,392]
Transfers in	43,000	43,000	100,000	[57,000]
Total Receipts	230,019	195,030	$ 325,000	$ [129,970]
Expenditures				
Student support services	156,596	174,027	$ 367,317	$ [193,290]
Instructional support staff	14,315	9,494	17,000	[7,506]
Transfers out	22,477	18,905	-	18,905
Total Expenditures	193,388	202,426	$ 384,317	$ [181,891]
Receipts Over [Under] Expenditures	36,631	[7,396]		
Unencumbered Cash, Beginning	152,686	189,317		
Unencumbered Cash, Ending	$ 189,317	$ 181,921		

UNIFIED SCHOOL DISTRICT NO. 497
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Charges for services	$ 17,175	$ 17,180	$ -	$ 17,180
Reimbursed expenses	915	4,400	-	4,400
Miscellaneous	-	-	50,000	[50,000]
Transfer in	50,000	-	50,000	[50,000]
Total Receipts	68,090	21,580	$ 100,000	$ [78,420]
Expenditures				
Instruction	40,094	37,607	$ 142,510	$ [104,903]
Transfers out	186	173	-	173
Total Expenditures	40,280	37,780	$ 142,510	$ [104,730]
Receipts Over [Under] Expenditures	27,810	[16,200]		
Unencumbered Cash, Beginning	20,328	48,138		
Unencumbered Cash, Ending	$ 48,138	$ 31,938		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
State aid	$ 392,017	$ 513,393	$ 500,000	$ 13,393
Federal aid	2,677,469	2,780,705	4,600,000	[1,819,295]
Reimbursed expenses	752,158	740,404	-	740,404
Investment income	1,439,484	1,224,906	1,200,000	24,906
Transfers in	25,279,195	28,613,299	29,020,000	[406,701]
Total Receipts	30,540,323	33,872,707	$ 35,320,000	$ [1,447,293]
Expenditures				
Instruction	14,813,794	16,249,359	$ 25,210,168	$ [8,960,809]
Student support services	5,568,574	7,642,209	7,510,000	132,209
Instructional support staff	2,382,283	1,891,182	3,315,000	[1,423,818]
School administration	28	-	-	-
Central services	5,347	5,224	6,000	[776]
Operations and maintenance	270,836	[1,732]	4,000	[5,732]
Student transportation	3,831,069	4,395,739	4,500,000	[104,261]
Transfers out	2,685,986	3,363,805	-	3,363,805
Total Expenditures	29,557,917	33,545,786	$ 40,545,168	$ [6,999,382]
Receipts Over [Under] Expenditures	982,406	326,921		
Unencumbered Cash, Beginning	4,173,106	5,155,512		
Unencumbered Cash, Ending	$ 5,155,512	$ 5,482,433		

UNIFIED SCHOOL DISTRICT NO. 497
Cost of Living Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 1,980,114	$ 2,107,605	$ 2,182,390	$ [74,785]
Delinquent taxes	17,119	17,637	25,091	[7,454]
Motor vehicle taxes	184,353	161,890	146,395	15,495
Total Receipts	2,181,586	2,287,132	$ 2,353,876	$ [66,744]
Expenditures				
State payment	2,432,818	2,374,996	$ 3,900,000	$ [1,525,004]
Total Expenditures	2,432,818	2,374,996	$ 3,900,000	$ [1,525,004]
Receipts Over [Under] Expenditures	[251,232]	[87,864]		
Unencumbered Cash, Beginning	1,850,232	1,599,000		
Unencumbered Cash, Ending	$ 1,599,000	$ 1,511,136		

UNIFIED SCHOOL DISTRICT NO. 497
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 Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
Reimbursed expenses	$ 6,714	$ 4,628	$ -	$ 4,628
Miscellaneous	-	-	50,000	[50,000]
Transfers in	1,665,000	1,685,000	2,200,000	[515,000]
Total Receipts	1,671,714	1,689,628	$ 2,250,000	$ [560,372]
Expenditures				
Instruction	1,304,916	1,431,474	$ 2,109,032	$ [677,558]
Student support services	18,877	37,362	47,000	[9,638]
Instructional support staff	45,943	51,103	70,400	[19,297]
Operations and maintenance	98,151	9,000	122,000	[113,000]
Student transportation	618	604	1,000	[396]
Transfers out	135,608	166,119	-	166,119
Total Expenditures	1,604,113	1,695,662	$ 2,349,432	$ [653,770]
Receipts Over [Under] Expenditures	67,601	[6,034]		
Unencumbered Cash, Beginning	50,241	117,842		
Unencumbered Cash, Ending	$ 117,842	$ 111,808		

UNIFIED SCHOOL DISTRICT NO. 497
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Over [Under]
Receipts				
State aid	$ 9,866,764	$ 9,549,621	$ 11,840,117	$ [2,290,496]
Total Receipts	9,866,764	9,549,621	$ 11,840,117	$ [2,290,496]
Expenditures				
Instruction	6,791,347	$ 6,447,045	$ 7,993,338	$ [1,546,293]
Student support services	927,454	951,715	1,180,000	[228,285]
Instructional support staff	734,595	641,162	795,000	[153,838]
General administration	49,638	54,815	68,000	[13,185]
School administration	590,752	560,563	695,000	[134,437]
Operations and maintenance	386,489	362,981	450,000	[87,019]
Central services	386,489	346,842	430,000	[83,158]
Food service	-	184,498	228,779	[44,281]
Total Expenditures	9,866,764	9,549,621	$ 11,840,117	$ [2,290,496]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 497
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 2,231,409	$ 3,578,888
Total Receipts	2,231,409	3,578,888
Expenditures		
General administration	12,500	-
Total Expenditures	12,500	-
Receipts Over [Under] Expenditures	2,218,909	3,578,888
Unencumbered Cash, Beginning	2,642,324	4,861,233
Unencumbered Cash, Ending	$ 4,861,233	$ 8,440,121

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Student Material Revolving Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	$ 739,402	$ 716,519
Miscellaneous	373	364,246
Transfers in	2,000,000	840,000
Total Receipts	2,739,775	1,920,765
Expenditures		
Instruction	1,588,914	987,777
Total Expenditures	1,588,914	987,777
Receipts Over [Under] Expenditures	1,150,861	932,988
Unencumbered Cash, Beginning	1,467,410	2,618,271
Unencumbered Cash, Ending	$ 2,618,271	$ 3,551,259

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Title I	$ 1,458,711	$ 1,904,275	$ 2,500,000	$ [595,725]
Title IIA	306,436	369,399	550,000	[180,601]
Carl Perkins Vocational Act Program Improvement	104,265	96,180	-	96,180
Title III	34,381	37,686	80,000	[42,314]
Title IV	138,152	236,501	160,000	76,501
Johnson O'Malley	34,461	36,145	-	36,145
ESSER II	2,500,649	-	-	-
ESSER III	4,643,301	2,315,340	5,000,000	[2,684,660]
Other federal aid	572,916	358,818	2,000,000	[1,641,182]
Total Receipts	9,793,272	5,354,344	$ 10,290,000	$ [4,935,656]
Expenditures				
Instruction	2,867,067	2,041,642	$ 6,105,503	$ [4,063,861]
Student support services	648,838	367,753	720,000	[352,247]
Instructional support staff	1,026,670	1,041,385	1,111,000	[69,615]
General administration	-	3,756	-	3,756
School administration	17,324	64,197	15,400	48,797
Central services	77,094	36,366	-	36,366
Operations and maintenance	-	72,978	-	72,978
Student transportation	25,834	1,830	25,000	[23,170]
Food service	-	162,139	-	162,139
Student activities	1,089	677	-	677
Facility acquisition and construction services	-	-	284,266	[284,266]
Transfers out	391,743	269,118	-	269,118
Total Expenditures	5,055,659	4,061,841	$ 8,261,169	$ [4,199,328]
Receipts Over [Under] Expenditures	4,737,613	1,292,503		
Unencumbered Cash, Beginning	[6,784,855]	[2,047,242]		
Unencumbered Cash, Ending	$ [2,047,242]	$ [754,739]		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	$ 14,592,627	$ 14,201,178	$ 13,380,663	$ 820,515
Delinquent taxes	119,945	127,884	235,256	[107,372]
Motor vehicle taxes	1,101,950	1,120,273	1,011,866	108,407
Total Receipts	15,814,522	15,449,335	$ 14,627,785	$ 821,550
Expenditures				
Principal	8,060,000	8,455,000	$ 8,455,000	$ -
Interest	5,864,938	5,542,238	5,542,238	-
Fees	-	-	5,000	[5,000]
Total Expenditures	13,924,938	13,997,238	$ 14,002,238	$ [5,000]
Receipts Over [Under] Expenditures	1,889,584	1,452,097		
Unencumbered Cash, Beginning	14,589,086	16,478,670		
Unencumbered Cash, Ending	$ 16,478,670	$ 17,930,767		

UNIFIED SCHOOL DISTRICT NO. 497
Special Assessment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025
(With Comparative Actual Amounts for the Year Ended June 30, 2024)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over [Under]
Receipts				
Taxes and Shared Revenues:				
Delinquent taxes	$ 6	$ 1	$ -	$ 1
Total Receipts	6	1	$ -	$ 1
Expenditures				
Facility acquisition and construction services	8,235	8,718	$ 454,803	$ [446,085]
Total Expenditures	8,235	8,718	$ 454,803	$ [446,085]
Receipts Over [Under] Expenditures	[8,229]	[8,717]		
Unencumbered Cash, Beginning	463,032	454,803		
Unencumbered Cash, Ending	$ 454,803	$ 446,086		

UNIFIED SCHOOL DISTRICT NO. 497
School Workers' Compensation Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	$ 1,371,277	$ 400,668
Reimbursed expenses	-	1,445
Total Receipts	1,371,277	402,113
Expenditures		
Instruction	255,140	189,019
General administration	136,785	133,164
Total Expenditures	391,925	322,183
Receipts Over [Under] Expenditures	979,352	79,930
Unencumbered Cash, Beginning	1,090,463	2,069,815
Unencumbered Cash, Ending	$ 2,069,815	$ 2,149,745

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Health Care Services Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2025 and 2024

	Prior Year Actual	Current Year Actual
Receipts		
Miscellaneous	$ 2,402,033	$ 2,379,719
Transfers in	10,667,270	12,603,692
Total Receipts	13,069,303	14,983,411
Expenditures		
Instruction	12,348,024	14,420,065
Total Expenditures	12,348,024	14,420,065
Receipts Over [Under] Expenditures	721,279	563,346
Unencumbered Cash, Beginning	1,213,949	1,935,228
Unencumbered Cash, Ending	$ 1,935,228	$ 2,498,574

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Private and Other Purpose Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Memorial funds	$ 216,194	$ -	$ -	$ 4,200	$ 211,994	$ -	$ 211,994
Local donations fund	1,873,556	-	2,099,289	2,170,976	1,801,869	62,226	1,864,095
Total other private purpose trust funds	$ 2,089,750	$ -	$ 2,099,289	$ 2,175,176	$ 2,013,863	$ 62,226	$ 2,076,089

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2025

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Petty Cash Funds:				
Middle Schools				
Billy Mills Middle School	$ 1,200	$ 9,273	$ 9,273	$ 1,200
Liberty Memorial Central Middle School	1,200	3,960	3,960	1,200
Southwest Middle School	1,200	5,120	5,120	1,200
West Middle School	1,200	6,822	6,822	1,200
Total Middle Schools	4,800	25,175	25,175	4,800
High Schools				
Free State High School	1,500	4,657	4,657	1,500
Lawrence High School	1,500	5,315	5,315	1,500
Total High Schools	3,000	9,972	9,972	3,000
Total Student Petty Cash Funds	7,800	35,147	35,147	7,800
Other Agency Funds:				
District petty cash	1,500	300	300	1,500
Sales Tax Fund	-	55,920	55,920	-
Payroll Clearing Fund	[2,670,493]	101,999,082	102,342,562	[3,013,973]
Total Other Agency Funds	[2,668,993]	102,055,302	102,398,782	[3,012,473]
Total Agency Funds	$ [2,661,193]	$ 102,090,449	$ 102,433,929	$ [3,004,673]

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Indian Education - Formula Grants to Local Education Agencies	84.060	$ -	$ 95,306	$ 95,306	$ -
Passed Through State Department of Education:					
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	[33,841]	2,715,117	2,691,352	[10,076]
Special Education - Preschool Grants	84.173	-	65,588	65,588	-
Total Special Education (IDEA) Cluster			2,780,705	2,756,940	
Title I Grants to Local Educational Agencies	84.010	[379,249]	1,939,275	2,026,879	[466,853]
Career and Technical Education	84.048	[611]	96,180	95,569	-
English Language Acquisition Grants	84.365	[26,365]	37,686	50,799	[39,478]
Improving Teacher Quality State Grants	84.367	[64,086]	369,399	470,423	[165,110]
Student Support and Academic Enrichment Program	84.424	[17,714]	236,501	312,175	[93,388]
Education Stabilization Fund Under CARES Act	84.425	[1,431,335]	2,321,500	890,165	-
Passed Through State Department of Health & Environment:					
Special Education - Grants for Infants and Families	84.181	[33,965]	118,932	84,967	-
Passed Through Kansas Board of Regents:					
Cooperative Agreements to Promote Adolescent Health	84.002	-	93,787	93,787	-
Total U.S. Department of Education			8,089,271	6,877,010	
U.S. Department of the Interior					
477 Cluster:					
Indian Education Assistance to Schools	15.130	[1,534]	36,145	24,520	10,091
Total U.S. Department of the Interior			36,145	24,520	
U.S. Department of Health and Human Services					
Passed Through State Department of Health & Environment:					
Epidemiology & Laboratory Capacity for Infectious Diseases	93.323	[126,345]	160,382	34,037	-
Passed Through Kansas Parents As Teachers Association (KPATA):					
Title IV-E Prevention Program	93.472	-	10,264	10,264	-
Total U.S. Department of Health and Human Services			170,646	44,301	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	490,262	490,262	-
National School Lunch Program	10.555	-	2,032,417	2,032,417	-
Summer Food Service Program for Children	10.559	-	921,207	921,207	-
Fresh Fruit and Vegetable Program	10.582		71,143	71,143	
Total Child Nutrition Cluster			3,515,029	3,515,029	
Local Food for Schools Cooperative Agreement Program	10.185	-	34,119	34,119	-
Child and Adult Care Food Program	10.558	-	44,285	44,285	-
Passed Through State Department of Agriculture:					
Resilient Food System Infrastructure Program	10.190	-	96,970	96,970	-
Total U.S. Department of Agriculture			3,690,403	3,690,403	
Total Expenditures of Federal Awards			$ 11,986,465	$ 10,636,234	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497

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

1. Organization

Unified School District No. 497, Lawrence, Kansas (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

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

5. Outstanding Loans

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

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

ALN Number(s)	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
10.553, 10.555, 10.559	Child Nutrition Cluster

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

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2025

Section II - Financial Statement Findings

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted.

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

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

Board of Education
Unified School District No. 497
Lawrence, 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. 497, Lawrence, Kansas (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 24, 2025

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

Board of Education
Unified School District No. 497
Lawrence, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 497, Lawrence, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2025, and have issued our report thereon dated November 24, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

November 24, 2025