UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

Financial Statements

For the Year Ended June 30, 2025

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UNIFIED SCHOOL DISTRICT NO. 253
Financial Statements
For the Year Ended June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 253
Emporia, 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. 253, Emporia, 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, schedules of receipts and disbursements-agency funds and the schedule of regulatory basis receipts, expenditures and unencumbered cash-district activities (Schedules 1, 2, 3 and 4) as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 10, 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 10, 2025

UNIFIED SCHOOL DISTRICT NO. 253
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	$ -	$ -	$ 38,487,319	$ 38,487,319	$ -	$ 1,721,993	$ 1,721,993
Supplemental General	206,414	-	12,265,897	12,275,000	197,311	683,984	881,295
Special Purpose Funds:							
Adult Education	-	-	146,050	137,174	8,876	-	8,876
Bilingual Education	125,442	-	1,467,292	889,095	703,639	129,675	833,314
At-Risk (K-12)	4,397,501	-	8,320,225	4,488,002	8,229,724	471,416	8,701,140
Preschool-Aged At-Risk	10,760	-	427,551	437,132	1,179	50,971	52,150
Capital Outlay	2,984,515	-	4,822,690	5,831,925	1,975,280	3,170,555	5,145,835
Driver Training	57,224	-	48,985	40,070	66,139	-	66,139
Extraordinary School Program	14,216	-	15,435	14,895	14,756	-	14,756
Food Service	352,849	-	3,097,779	3,449,841	787	234,200	234,987
Professional Development	620,447	-	172,828	296,612	496,663	1,995	498,658
Summer School	54,080	-	-	17,647	36,433	-	36,433
Special Education	1,169,122	-	7,892,158	8,927,224	134,056	61,180	195,236
Career and Postsecondary Education	178,116	-	600,326	778,442	-	91,781	91,781
KPERS Special Retirement Contribution	-	-	4,993,394	4,993,394	-	-	-
Virtual Education	15,067	-	-	-	15,067	-	15,067
Flint Hills Special Education Cooperative	227,714	-	14,637,648	14,828,264	37,098	1,886,381	1,923,479
Contingency Reserve	1,937,867	-	-	-	1,937,867	-	1,937,867
Textbook Rental Fee	1,486,672	-	9,900	362,437	1,134,135	46,373	1,180,508
Federal Grants	[853,641]	-	3,055,237	2,313,976	[112,380]	188,680	76,300
Gifts and Grants	212,292	-	482,580	331,543	363,329	14,584	377,913
District Activities	165,916	-	357,548	319,796	203,668	-	203,668
Bond and Interest Fund:							
Bond and Interest	5,224,144	-	3,979,839	4,585,500	4,618,483	-	4,618,483
Capital Project Fund:							
Facility Acquisition & Construction	13,823,505	-	546,603	4,517,137	9,852,971	13,983	9,866,954
Trust Fund:							
Daisy Ferguson Grimes Trust	47,727	-	2,862	1,216	49,373	-	49,373
Total Reporting Entity (excluding Agency Funds)	$ 32,457,949	$ -	$ 105,830,146	$ 108,323,641	$ 29,964,454	$ 8,767,751	$ 38,732,205

Composition of Cash:		
	Lyon County Bank	
	Checking	$ 216,936
	ESB Financial	
	Checking	1,603,291
	Kansas Municipal Investment Pool	
	Investment Pool	27,360,272
	Bank of Oklahoma	
	Early Retirement Deferred Benefit Account	11,512,335
	Escrow Bank of Kansas City	
	Series 2019 Improvement Fund	9,697,309
	Cash Balance	50,390,143
	Less: Agency Funds per Schedule 3	[11,657,938]
	Total Reporting Entity (Excluding Agency Funds)	$ 38,732,205

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. 253 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the funds for which the District is considered to be financially accountable. The District has no related municipal entities.

The Emporia Recreation Commission (the Commission) was established as a jointly governed organization between the City of Emporia, Kansas and Unified School District No. 253, Emporia, Kansas. The governing board consists of two members appointed by the Emporia City Commission, two members appointed by the Unified School District No. 253 Board of Education and one at large board members appointed by the other eight appointed members of the Recreation Commission Board.

The Commission utilizes tax authority and tax base of Unified School District No. 253, Emporia, Kansas to levy ad valorem taxes to fund its general and employee benefit fund budgets. The City of Emporia, Kansas has issued general obligation bonds, the proceeds of which were used to construct a portion of the facility used by the Commission.

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

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

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

Regulatory Basis Fund Types

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

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

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

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

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust Fund - used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Agency Fund - funds used to report assets held by the District in a purely custodial capacity (payroll clearing fund, student organization 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 trust funds, capital project funds, and the following special purpose funds: Contingency Reserve, District Activity, Textbook Rental, and Federal Grants.

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.

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.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

As of June 30, 2025, the District had invested $27,360,272 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed up securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

As of June 30, 2025, the District had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Cost	Less than 1	1-2	Rating U.S.
Kansas Municipal Investment Pool	$27,360,272	$ 27,360,272	$ -	N/A
Security Bank of Kansas City				
US Government & Agency Bond Obligations	9,690,792	9,690,792	-	Various
Total Security Bank of Kansas City	9,690,792	9,690,792	-	
Total cost	$37,051,064	$ 37,051,064	$ -	

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2025, was as follows:

Investment Type	Percentage of Investment
Kansas Municipal Investment Pool	74%
Security Bank of Kansas City	26%

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured as of June 30, 2025.

NOTE 2 - Deposits and Investments (Continued)

As of June 30, 2025, the District's carrying amount of deposits was $1,826,744 and the bank balance was $3,522,316. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $483,024 was covered by federal depository insurance and the remaining balance of $3,039,292 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

As of June 30, 2025, the Bank of Oklahoma held, as agent for the District, a deposit of $11,512,335, in an early retirement deferred benefit account.

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

NOTE 3 - Long Term Debt

The following table details the District's long-term debt as of June 30, 2025:

Debt Issue	Date Issued	Maturity Date	Interest Rates	Original Amount	Balance June 30, 2025
G.O. Bonds					
Series 2019	12/18/2019	9/1/2048	3.00-4.00%	$ 78,000,000	$ 72,750,000
Certificates of Participation					
Series 2009 QSCB	10/29/2009	9/1/2025	2.23%	6,840,000	6,840,000
Total				$ 84,840,000	$ 79,590,000

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

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Outstanding	Interest Paid
G.O. Bonds					
Series 2019	$ 74,570,000	$ -	$ 1,820,000	$ 72,750,000	$ 2,765,500
Certificates of Participation					
Series 2009 QSCB	6,840,000	-	-	6,840,000	152,532
Total	$ 81,410,000	$ -	$ 1,820,000	$ 79,590,000	$ 2,918,032

General Obligation Bond. The District issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the District. These bonds generally are issued with equal amounts of principal maturing each year.

NOTE 3 - Long Term Debt (Continued)

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

Year Ended June 30,	Principal	Interest	Total
2026	$ 1,890,000	$ 2,691,300	$ 4,581,300
2027	1,970,000	2,614,100	4,584,100
2028	2,045,000	2,533,800	4,578,800
2029	2,130,000	2,450,300	4,580,300
2030	2,215,000	2,363,400	4,578,400
2031 - 2035	12,470,000	10,387,900	22,857,900
2036 - 2040	18,570,000	7,632,600	26,202,600
2041 - 2045	18,635,000	4,744,000	23,379,000
2046 - 2049	12,825,000	1,374,900	14,199,900
	$72,750,000	$36,792,300	$109,542,300

Certificates of Participation. The Series 2009 QSCB Certificates of Participation (COPS) are payable in full on September 1, 2025, in the amount of $6,840,000, with interest payable annually to that date of $152,532. The District is required to make sinking fund deposits into a reserve fund annually through September 1, 2025, of amounts necessary to satisfy the minimum required accumulated balance under the Lease and Declaration of Trust. The District's annual deposits will consist of (1) the District's expected annual cash deposit in the base amount of $325,371 (the "Base Cash Deposit") plus (2) the estimated investment earning on the accumulated balance (the "Investment Earnings"). In the event the District's Base Cash Deposit plus Investment Earnings is insufficient to meet the required accumulated balance on a given September 1st, the District is required to make up the difference with an additional cash deposit to the sinking fund. In the event the accumulated balance exceeds the required accumulated balance on a given September 1st the excess will be withdrawn from the sinking fund. During the year ended June 30, 2025, the District was required to make total principal, interest, and service fee payments of $454,000.

The fair market value of the reserve fund's assets as of June 30, 2025, was $6,354,638. The District does not have control over the reserve fund, and therefore, the District's financial statements do not include the reserve fund balance.

Statutory Debt Limit. K.S.A. 72-5457 restricts the level of authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District without obtaining approval from the State Board of Education. The assessed valuation as of June 30, 2025, is $280,224,088 which creates a general legal debt limit of $39,231,372 for 2024-2025 budgeting purposes. The District obtained permission from the Kansas Department of Education to issue bonds in excess of its statutory limit.

NOTE 4 - Compensated Absences

The District's policy is to recognize the costs of compensated absences when actually paid.

The District's policies regarding professional leaves and absences permit employees to accumulate a maximum of 9 to 108 days of chargeable leave depending on the number of days worked per year. Policies require the cancellation of accumulated leave pay on the date of employment termination if the employee has less than ten years of service.

NOTE 4 - Compensated Absences (Continued)

Classified personnel retiring or resigning from the District with ten years or more of service in the District with be compensated for unused accumulated leave at the rate of $25 per day up to a maximum of 90 days.

Certified personnel retiring from the District with ten years or more of service in the District will be compensated for unused accumulated leave rate of 0.4 times the current substitute rate per day up to a maximum of 90 days.

Twelve-month administrative personnel may accumulate a maximum of 40 days of vacation leave and classified personnel may accumulate a maximum of 30 days of vacation leave depending upon the years of service. Policies permit payment of vacation pay upon termination of employment if sufficient notice of termination is given.

NOTE 5 - 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 requires 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, 21o establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 9, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employers contribution rate. 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.

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.

NOTE 5 - Defined Benefit Pension Plan (Continued)

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $4,993,394 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 $44,565,221. 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 contribution to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2024. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE 6 - Flexible Benefit Plan

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under section 125 of the Internal Revenue Code. All non-certified employees of the District who work a minimum of 20 hours per week and all certified employees with a 0.5 full-time equivalency are eligible to participate in the Plan. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the plan.

In addition, on average, the District contributes $580 per month for both certified and classified employees working greater than 30 hours per month to the fringe benefit package for employees electing to participate. Alternatively, employees may elect to enroll in a low premium high deductible option where the District also contributes $580 per month. Currently, benefits offered through the Plan include health insurance coverage.

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 fiscal years.

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 disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are 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 effect on the financial statements of the District as of June 30, 2025.

NOTE 9 - Interfund Transfers

The District made the following operating transfers during the fiscal year ended June 30, 2025. The transfers were approved by the Board of Education.

From	To	Amount	Regulatory Authority
General	Preschool-Aged At-Risk	$ 427,551	K.S.A. 72-5167
General	Professional Development	155,952	K.S.A. 72-5167
General	At-Risk (K-12)	6,547,715	K.S.A. 72-5167
General	Special Education	6,319,730	K.S.A. 72-5167
General	Bilingual Education	1,105,179	K.S.A. 72-5167
General	Career and Postsecondary Education	445,844	K.S.A. 72-5167
General	Food Service	268,488	K.S.A. 72-5167
Supplemental General	At-Risk (K-12)	1,772,510	K.S.A. 72-5143
Supplemental General	Bilingual Education	362,113	K.S.A. 72-5143
Supplemental General	Special Education	1,572,428	K.S.A. 72-5143
Total		$18,977,510	

NOTE 10 - Retirement Benefits

The District has obligations to make payments as follows on behalf of employees who retired early:

Year Ended June 30,	
2026	$ 186,923
2027	105,590
2028	31,054
2029	17,393
2030	11,674
	$ 352,634

The total payment made on behalf of early retirees in the fiscal year ended June 30, 2025, was $179,302.

NOTE 11 - 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.

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 12 - Stewardship, Compliance, and Accountability

Expenditures in the Capital Outlay Fund exceeded the adopted budget for the year ended June 30, 2025, which is a violation of K.S.A. 79-2935.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 253
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	$ 41,013,704	$ [3,232,551]	$ 706,166	$ 38,487,319	$ 38,487,319	$ -
Supplemental General	12,275,000	-	-	12,275,000	12,275,000	-
Special Purpose Funds:						
Adult Education Fund	155,522	-	-	155,522	137,174	[18,348]
Bilingual Education	1,348,578	-	-	1,348,578	889,095	[459,483]
At-Risk (K-12)	12,839,240	-	-	12,839,240	4,488,002	[8,351,238]
Preschool-Aged At-Risk	512,322	-	-	512,322	437,132	[75,190]
Capital Outlay	5,670,973	-	-	5,670,973	5,831,925	160,952
Driver Training	57,224	-	-	57,224	40,070	[17,154]
Extraordinary School Program	24,218	-	-	24,218	14,895	[9,323]
Food Service	5,200,187	-	-	5,200,187	3,449,841	[1,750,346]
Professional Development	764,664	-	-	764,664	296,612	[468,052]
Summer School	69,641	-	-	69,641	17,647	[51,994]
Special Education	9,553,801	-	-	9,553,801	8,927,224	[626,577]
Career and Postsecondary Education	1,103,334	-	-	1,103,334	778,442	[324,892]
KPERS Special Retirement Contribution	5,288,959	-	-	5,288,959	4,993,394	[295,565]
Virtual Education	15,067	-	-	15,067	-	[15,067]
Flint Hills Special Education Cooperative	16,664,204	-	-	16,664,204	14,828,264	[1,835,940]
Gifts and Grants	554,109	-	-	554,109	331,543	[222,566]
Bond and Interest Fund:						
Bond and Interest	4,585,500	-	-	4,585,500	4,585,500	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Reimbursed expenditures	$ 706,166	$ -	$ 706,166
State sources			
State aid	32,975,565	34,411,553	[1,435,988]
Special education aid	4,805,588	6,602,151	[1,796,563]
Total Receipts	38,487,319	$ 41,013,704	$ [2,526,385]
Expenditures			
Instruction	11,826,996	$ 12,909,313	$ [1,082,317]
Student support services	360,344	688,074	[327,730]
Instructional support staff	667,212	1,005,875	[338,663]
General administration	809,818	1,067,165	[257,347]
School administration	2,812,772	2,768,616	44,156
Central services	483,793	462,549	21,244
Operations and maintenance	4,590,027	4,561,945	28,082
Student transportation services	1,617,231	1,563,213	54,018
Food service operations	48,666	-	48,666
Transfers out	15,270,460	15,986,954	[716,494]
Adjustments to comply with legal max	-	[3,232,551]	3,232,551
Adjustments for qualifying budget credits	-	706,166	[706,166]
Total Expenditures	38,487,319	$ 38,487,319	$ -
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

UNIFIED SCHOOL DISTRICT NO. 253
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 4,107,361	$ 4,562,806	$ [455,445]
Delinquent taxes	73,523	59,052	14,471
Other	95	-	95
County sources			
Motor vehicle taxes	333,990	321,959	12,031
Recreational vehicle taxes	4,982	4,872	110
Commercial vehicle taxes	15,151	15,680	[529]
State sources			
Supplemental state aid	7,730,795	7,730,795	-
Total Receipts	12,265,897	$ 12,695,164	$ [429,267]
Expenditures			
Instruction	4,014,863	$ 4,005,476	$ 9,387
Student support services	661,149	650,693	10,456
Instructional support staff	1,187,908	1,259,637	[71,729]
General administration	371,682	166,500	205,182
Central services	735,831	883,883	[148,052]
Operations and maintenance	1,596,516	1,228,601	367,915
Transfers out	3,707,051	4,080,210	[373,159]
Total Expenditures	12,275,000	$ 12,275,000	$ -
Receipts Over [Under] Expenditures	[9,103]		
Unencumbered Cash, Beginning	206,414		
Unencumbered Cash, Ending	$ 197,311		

UNIFIED SCHOOL DISTRICT NO. 253
Adult Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 131,146	$ 134,536	$ [3,390]
Delinquent taxes	2,548	2,024	524
County sources			
Motor vehicle taxes	11,661	11,250	411
Recreational vehicle taxes	178	170	8
Commercial vehicle taxes	517	548	[31]
Total Receipts	146,050	$ 148,528	$ [2,478]
Expenditures			
Instruction	137,174	$ 155,522	$ [18,348]
Total Expenditures	137,174	$ 155,522	$ [18,348]
Receipts Over [Under] Expenditures	8,876		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ 8,876		

UNIFIED SCHOOL DISTRICT NO. 253
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 1,467,292	$ 1,223,138	$ 244,154
Total Receipts	1,467,292	$ 1,223,138	$ 244,154
Expenditures			
Instruction	860,141	$ 1,231,222	$ [371,081]
Instructional support staff	28,954	117,356	[88,402]
Total Expenditures	889,095	$ 1,348,578	$ [459,483]
Receipts Over [Under] Expenditures	578,197		
Unencumbered Cash, Beginning	125,442		
Unencumbered Cash, Ending	$ 703,639		

UNIFIED SCHOOL DISTRICT NO. 253
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 8,320,225	$ 8,445,770	$ [125,545]
Total Receipts	8,320,225	$ 8,445,770	$ [125,545]
Expenditures			
Instruction	2,810,803	$ 7,650,550	$ [4,839,747]
Student support services	1,144,047	2,874,500	[1,730,453]
Instructional support staff	478,178	1,793,250	[1,315,072]
School administration	54,974	160,940	[105,966]
Operations and maintenance	-	360,000	[360,000]
Total Expenditures	4,488,002	$ 12,839,240	$ [8,351,238]
Receipts Over [Under] Expenditures	3,832,223		
Unencumbered Cash, Beginning	4,397,501		
Unencumbered Cash, Ending	$ 8,229,724		

UNIFIED SCHOOL DISTRICT NO. 253
Preschool-Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 427,551	$ 502,843	$ [75,292]
Total Receipts	427,551	$ 502,843	$ [75,292]
Expenditures			
Instruction	262,320	$ 302,122	$ [39,802]
Instructional support staff	-	200	[200]
School administration	186	-	186
Student transportation services	174,626	210,000	[35,374]
Total Expenditures	437,132	$ 512,322	$ [75,190]
Receipts Over [Under] Expenditures	[9,581]		
Unencumbered Cash, Beginning	10,760		
Unencumbered Cash, Ending	$ 1,179		

UNIFIED SCHOOL DISTRICT NO. 253
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 2,144,496	$ 2,180,071	$ [35,575]
Delinquent taxes	40,692	32,937	7,755
Interest on idle funds	828,506	-	828,506
Other	34,199	-	34,199
County sources			
Motor vehicle taxes	186,575	183,816	2,759
Recreational vehicle taxes	2,786	2,781	5
Commercial vehicle taxes	8,335	8,951	[616]
State sources			
State aid	1,577,101	1,596,641	[19,540]
Total Receipts	4,822,690	$ 4,005,197	$ 817,493
Expenditures			
Instruction	967,418	$ 1,437,723	$ [470,305]
Student support services	11,553	70,000	[58,447]
Instructional support staff	277,582	95,000	182,582
General administration	-	70,000	[70,000]
School administration	128,967	-	128,967
Central services	-	10,000	[10,000]
Operations and maintenance	1,287,855	1,413,250	[125,395]
Student transportation services	452,850	10,000	442,850
Facility acquisition and construction	2,251,700	2,065,000	186,700
Debt service	454,000	500,000	[46,000]
Total Expenditures	5,831,925	$ 5,670,973	$ 160,952
Receipts Over [Under] Expenditures	[1,009,235]		
Unencumbered Cash, Beginning	2,984,515		
Unencumbered Cash, Ending	$ 1,975,280		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Other	$ 28,980	$ 47,250	$ [18,270]
State sources			
State aid	20,005	-	20,005
Total Receipts	48,985	$ 47,250	$ 1,735
Expenditures			
Instruction	40,070	$ 47,500	$ [7,430]
Operations and maintenance	-	9,724	[9,724]
Total Expenditures	40,070	$ 57,224	$ [17,154]
	8,915		
Receipts Over [Under] Expenditures			
	57,224		
Unencumbered Cash, Beginning			
	$ 66,139		

UNIFIED SCHOOL DISTRICT NO. 253
Extraordinary School Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Other	$ 15,435	$ -	$ 15,435
Other sources			
Transfers in	-	10,000	[10,000]
Total Receipts	15,435	$ 10,000	$ 5,435
Expenditures			
Instruction	14,895	$ 24,218	$ [9,323]
Total Expenditures	14,895	$ 24,218	$ [9,323]
Receipts Over [Under] Expenditures	540		
Unencumbered Cash, Beginning	14,216		
Unencumbered Cash, Ending	$ 14,756		

UNIFIED SCHOOL DISTRICT NO. 253
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Interest on idle funds	$ 8,031	$ 35,000	$ [26,969]
Charges for services	623,859	1,706,595	[1,082,736]
Other	1,322	-	1,322
State sources			
School food assistance	21,539	22,800	[1,261]
Federal sources			
Child nutrition programs	2,174,540	2,833,512	[658,972]
Other federal aid	-	250,000	[250,000]
Other sources			
Transfers in	268,488	-	268,488
Total Receipts	3,097,779	$ 4,847,907	$ [1,750,128]
Expenditures			
Operation and maintenance	119,828	$ 265,000	$ [145,172]
Food service operation	3,330,013	4,935,187	[1,605,174]
Total Expenditures	3,449,841	$ 5,200,187	$ [1,750,346]
Receipts Over [Under] Expenditures	[352,062]		
Unencumbered Cash, Beginning	352,849		
Unencumbered Cash, Ending	$ 787		

UNIFIED SCHOOL DISTRICT NO. 253
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 155,952	$ 200,000	$ [44,048]
State sources			
State aid	16,876	60,000	[43,124]
Total Receipts	172,828	$ 260,000	$ [87,172]
Expenditures			
Instructional support staff	296,612	$ 764,664	$ [468,052]
Total Expenditures	296,612	$ 764,664	$ [468,052]
Receipts Over [Under] Expenditures	[123,784]		
Unencumbered Cash, Beginning	620,447		
Unencumbered Cash, Ending	$ 496,663		

UNIFIED SCHOOL DISTRICT NO. 253
Summer School Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Instruction	17,647	$ 69,641	$ [51,994]
Total Expenditures	17,647	$ 69,641	$ [51,994]
Receipts Over [Under] Expenditures	[17,647]		
Unencumbered Cash, Beginning	54,080		
Unencumbered Cash, Ending	$ 36,433		

UNIFIED SCHOOL DISTRICT NO. 253
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ 7,892,158	$ 8,602,976	$ [710,818]
Total Receipts	7,892,158	$ 8,602,976	$ [710,818]
Expenditures			
Instruction	8,408,472	$ 8,789,113	$ [380,641]
Student transportation services	518,752	764,688	[245,936]
Total Expenditures	8,927,224	$ 9,553,801	$ [626,577]
Receipts Over [Under] Expenditures	[1,035,066]		
Unencumbered Cash, Beginning	1,169,122		
Unencumbered Cash, Ending	$ 134,056		

UNIFIED SCHOOL DISTRICT NO. 253
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Other	$ 154,482	$ 350,000	$ [195,518]
Other sources			
Transfers in	445,844	582,437	[136,593]
Total Receipts	600,326	$ 932,437	$ [332,111]
Expenditures			
Instruction	776,273	$ 1,081,834	$ [305,561]
Instructional support staff	2,169	21,500	[19,331]
Total Expenditures	778,442	$ 1,103,334	$ [324,892]
Receipts Over [Under] Expenditures	[178,116]		
Unencumbered Cash, Beginning	178,116		
Unencumbered Cash, Ending	$ -		

UNIFIED SCHOOL DISTRICT NO. 253
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
State sources			
State aid	$ 4,993,394	$ 5,288,959	$ [295,565]
Total Receipts	4,993,394	$ 5,288,959	$ [295,565]
Expenditures			
Instruction	2,805,487	$ 3,075,000	$ [269,513]
Student support services	289,383	422,055	[132,672]
Instructional support staff	363,965	400,000	[36,035]
General administration	96,392	110,000	[13,608]
School administration	402,688	375,000	27,688
Central services	179,179	180,000	[821]
Operations and maintenance	386,237	335,000	51,237
Student transportation services	248,006	215,000	33,006
Food service	222,057	176,904	45,153
Total Expenditures	4,993,394	$ 5,288,959	$ [295,565]
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	$ -		

UNIFIED SCHOOL DISTRICT NO. 253
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Other sources			
Transfers in	$ -	$ -	$ -
Total Receipts	-	$ -	$ -
Expenditures			
Instruction	-	$ 15,067	$ [15,067]
Total Expenditures	-	$ 15,067	$ [15,067]
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	15,067		
Unencumbered Cash, Ending	$ 15,067		

UNIFIED SCHOOL DISTRICT NO. 253
Flint Hills Special Education Cooperative Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Payment from other districts/government sources	$ 6,131,972	$ 9,941,868	$ [3,809,896]
Other	2,500	4,250,870	[4,248,370]
State sources			
State aid	6,274,914	-	6,274,914
Federal sources			
Federal aid	1,653,191	2,280,849	[627,658]
Medicaid	575,071	-	575,071
Total Receipts	14,637,648	$ 16,473,587	$ [1,835,939]
Expenditures			
Instruction	11,050,415	$ 12,737,814	$ [1,687,399]
Student support services	2,652,543	2,978,803	[326,260]
Instructional support staff	575,795	369,340	206,455
General administration	282,413	318,436	[36,023]
School administration	59,593	55,629	3,964
Central services	201,635	197,682	3,953
Operations and maintenance	5,870	6,500	[630]
Total Expenditures	14,828,264	$ 16,664,204	$ [1,835,940]
Receipts Over [Under] Expenditures	[190,616]		
Unencumbered Cash, Beginning	227,714		
Unencumbered Cash, Ending	$ 37,098		

UNIFIED SCHOOL DISTRICT NO. 253
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2025

Receipts	
Other sources	
Transfers in	$ -
Total Receipts	-
Expenditures	
Instruction	-
Total Expenditures	-
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	1,937,867
Unencumbered Cash, Ending	$ 1,937,867

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Textbook Rental Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2025

Receipts	
Local sources	
Reimbursed expenditures	$ 9,900
Total Receipts	9,900
Expenditures	
Instruction	362,437
Total Expenditures	362,437
Receipts Over [Under] Expenditures	[352,537]
Unencumbered Cash, Beginning	1,486,672
Unencumbered Cash, Ending	$ 1,134,135

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Federal Grants Funds *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2025

	Title I	Title II	Title III	Migrant	ESSERF	ARP Homeless	RTAP	Total
Receipts								
Federal sources								
Federal aid	$ 1,036,876	$ 160,614	$ 99,882	$ 58,000	$ 1,680,453	$ 5,175	$ 14,237	$ 3,055,237
Total Receipts	1,036,876	160,614	99,882	58,000	1,680,453	5,175	14,237	3,055,237
Expenditures								
Instruction	936,794	654	64,486	3,434	121,593	2,252	7,469	1,136,682
Student support services	10,745	-	-	40,825	333,120	-	-	384,690
Instructional support staff	-	152,262	57,019	-	57,311	-	15,000	281,592
General administration	88,053	8,562	2,236	13,335	362,980	-	-	475,166
Central services	-	-	-	-	21,282	-	-	21,282
Student transportation services	-	-	-	406	-	-	-	406
Food service	-	-	-	-	14,158	-	-	14,158
Total Expenditures	1,035,592	161,478	123,741	58,000	910,444	2,252	22,469	2,313,976
Receipts Over [Under] Expenditures	1,284	[864]	[23,859]	-	770,009	2,923	[8,232]	741,261
Unencumbered Cash, Beginning, Restated	[3,352]	[74,152]	[3,205]	65,122	[835,131]	[2,923]	-	[853,641]
Unencumbered Cash, Ending	$ [2,068]	$ [75,016]	$ [27,064]	$ 65,122	$ [65,122]	$ -	$ [8,232]	$ [112,380]

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Other	$ 482,580	$ 100,000	$ 382,580
State sources			
State aid	-	217,003	[217,003]
Total Receipts	482,580	$ 317,003	$ 165,577
Expenditures			
Instruction	62,844	$ 256,649	$ [193,805]
Student support services	147,375	195,162	[47,787]
Instructional support staff	115,629	82,510	33,119
School administration		5,557	[5,557]
Central services	1,508	2,803	[1,295]
Student transportation services	4,187	9,500	[5,313]
Operations and maintenance	-	1,928	[1,928]
Total Expenditures	331,543	$ 554,109	$ [222,566]
Receipts Over [Under] Expenditures	151,037		
Unencumbered Cash, Beginning	212,292		
Unencumbered Cash, Ending	$ 363,329		

UNIFIED SCHOOL DISTRICT NO. 253
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2025

	Actual	Budget	Variance Over [Under]
Receipts			
Local sources			
Ad valorem taxes	$ 2,990,107	$ 3,005,494	$ [15,387]
Delinquent taxes	61,577	50,183	11,394
County sources			
Motor vehicle taxes	269,029	275,702	[6,673]
Recreational vehicle taxes	4,264	4,172	92
Commercial vehicle taxes	12,892	13,427	[535]
State sources			
State aid	641,970	641,970	-
Total Receipts	3,979,839	$ 3,990,948	$ [11,109]
Expenditures			
Debt service	4,585,500	$ 4,585,500	$ -
Total Expenditures	4,585,500	$ 4,585,500	$ -
Receipts Over [Under] Expenditures	[605,661]		
Unencumbered Cash, Beginning	5,224,144		
Unencumbered Cash, Ending	$ 4,618,483		

UNIFIED SCHOOL DISTRICT NO. 253
Facility Acquisition & Construction Fund
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2025

Receipts	
Net bond proceeds	
Other cost of issuance	$ 314,047
Realized gain on sale of securities	232,556
Total Receipts	546,603
Expenditures	
Instruction	50,924
Facility acquisition and construction	4,008,985
Debt service	457,228
Total Expenditures	4,517,137
Receipts Over [Under] Expenditures	[3,970,534]
Unencumbered Cash, Beginning	13,823,505
Unencumbered Cash, Ending	$ 9,852,971

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Daisy Ferguson Grimes Trust Fund
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2025

Receipts	
Local sources	
Grants received from trust	$ 2,862
Total Receipts	2,862
Expenditures	
Grants and financial assistance for qualifying individuals	1,216
Total Expenditures	1,216
Receipts Over [Under] Expenditures	1,646
Unencumbered Cash, Beginning	47,727
Unencumbered Cash, Ending	$ 49,373

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
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
Student Clubs and Activities				
Emporia High School	$ 84,328	$ 357,474	$ 345,953	$ 95,849
Emporia Middle School	50,566	94,424	98,259	46,731
Total Student Clubs and Activities	134,894	451,898	444,212	142,580
Early Retirement Funding Account	9,559,545	4,067,892	2,115,102	11,512,335
Petty Cash - District	1,540	275	1,575	240
Petty Cash - High School	173	2,931	2,780	324
Petty Cash - Middle School	1,555	2,570	2,770	1,355
Other Agency Funds	1,765	-	661	1,104
Total Agency Funds	$ 9,699,472	$ 4,525,566	$ 2,567,100	$ 11,657,938

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 253
District Activities - Gate Receipts and School Project Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2025

FUND	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Emporia High School	$ 139,763	$ 310,936	$ 267,442	$ 183,257	$ -	$ 183,257
Emporia Middle School	26,153	46,612	52,354	20,411	-	20,411
Total District Activity Fund	$ 165,916	$ 357,548	$ 319,796	$ 203,668	$ -	$ 203,668

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Special Education (IDEA) Cluster					
Special Education Grants to States	84.027	$ 31,558	$ 1,398,001	$ 1,398,001	$ 31,558
Special Education - Preschool Grants	84.173	19,592	31,283	31,283	19,592
Total Special Education (IDEA) Cluster			1,429,284	1,429,284	
Title I Grants to Local Educational Agencies	84.010	[3,352]	1,036,876	1,035,592	[2,068]
Migrant Education State Grant Program	84.011	65,122	58,000	58,000	65,122
Career and Technical Education	84.048	-	49,490	49,490	-
English Language Acquisition State Grants	84.365	[3,205]	99,882	123,740	[27,063]
Supporting Effective Instruction State Grants	84.367	[74,152]	129,829	130,693	[75,016]
Student Support and Academic Enrichment Program	84.424	-	30,785	30,785	-
Education Stabilization Fund	84.425	[784,885]	1,689,865	912,697	[7,717]
Passed Through State Department of Health and Environment:					
Special Education-Grants for Infants and Families	84.181	-	67,077	67,077	-
Total U.S. Department of Education			4,591,088	3,837,358	
U.S. Department of Health and Human Services					
Passed Through State Department of Education:					
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	[93,803]	163,030	68,777	450
Total U.S. Department of Health and Human Services			163,030	68,777	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster					
School Breakfast Program	10.553	-	380,406	380,406	-
COVID-19 - National School Lunch Program	10.555	-	1,359,470	1,359,470	-
Summer Food Service Program for Children	10.559	-	380,532	380,532	-
Total Child Nutrition Cluster			2,120,408	2,120,408	
Child and Adult Care Food Program	10.558	-	54,132	54,132	-
Total U.S. Department of Agriculture			2,174,540	2,174,540	
U.S. Department of Labor					
Registered Apprenticeship	17.285	-	10,000	14,237	[4,237]
Total U.S. Department of Labor			10,000	14,237	
Total Expenditures of Federal Awards			$ 6,938,658	$ 6,094,912	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253

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

1. Organization

Unified School District No. 253, Emporia, 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. 253
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
10.553, 10.555, 10.559	Child Nutrition Cluster
84.027, 84.173	Special Education (IDEA) Cluster

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

See independent auditor's report on the financial statements.

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. 253
Emporia, 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. 253 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 10, 2025.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 10, 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. 253
Emporia, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 253, Emporia, Kansas (the District), with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

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

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the District as of and for the year ended June 30, 2025, and have issued our report thereon dated December 10, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 10, 2025