SSC CPAs, P.A.

UNIFIED SCHOOL DISTRICT NO. 405

FINANCIAL STATEMENT WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2025

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SSC CPAs, P.A.

Independent Auditor's Report

To the Board of Education
Unified School District No. 405
Lyons, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 405, Lyons, Kansas, as of and for the year ended June 30, 2025 and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 405, as of June 30, 2025 or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 405, as of June 30, 2025, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Basis for Adverse and Unmodified Opinions

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

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

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

Responsibilities of Management for the Financial Statement

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

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

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

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

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 405 as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated November 18, 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 web site of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2024 actual column (2024 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2025 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2024 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statement. The 2024 comparative information was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement or to the 2024 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2024, on the basis of accounting described In Note 2.

Other Information

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

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 financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2026 on our consideration of the Unified School District No. 405's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 405's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 405's internal control over financial reporting and compliance.

SSC CPAs, P.A.
Salina, Kansas
January 5, 2026

UNIFIED SCHOOL DISTRICT NO. 405

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2025

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	$ -	$ -	$ 8,008,525	$ 8,008,525	$ -	$ 13,574	$ 13,574
Supplemental General	39,339	-	2,602,809	2,642,148	-	11,020	11,020
Special Purpose Funds:							
At Risk (4 Year Old)	70,199	-	45,000	44,474	70,725	-	70,725
At Risk (K-12)	-	2,833	1,949,106	1,951,939	-	52,146	52,146
Bilingual Education	150,000	-	427,440	377,440	200,000	-	200,000
Capital Outlay	1,388,531	-	1,160,843	1,147,005	1,402,369	61,364	1,463,733
Driver Training	19,983	-	16,570	17,778	18,775	-	18,775
Food Service	88,451	-	506,567	559,239	35,779	-	35,779
Professional Development	128,598	-	217,826	144,710	201,714	937	202,651
Parent Education	-	-	157,500	157,500	-	200	200
Special Education	331,490	-	1,686,095	1,656,021	361,564	-	361,564
Special Education Cooperative	141,072	8	4,332,631	4,473,711	-	800	800
Career and Postsecondary Education	312,593	-	356,039	364,882	303,750	-	303,750
Carl Perkins	-		2,657	2,657	-	-	-
Title I	-	-	204,738	204,738	-	-	-
Title I-C Migrant	-	-	-	-	-	-	-
Title II-A	-	-	22,871	22,871	-	-	-
Title VI-B Discretionary	-	-	22,084	22,084	-	-	-

UNIFIED SCHOOL DISTRICT NO. 405

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2025

STATEMENT 1

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Title IV-A	$ -	$ -	$ 20,278	$ 20,278	$ -	$ -	$ -
CARES	-	-	-	-	-	-	-
KDHE Grant	-	-	-	-	-	-	-
Registered Apprenticeship Grant	-	-	12,250	17,250	(5,000)	-	(5,000)
Other Federal Funds	-	-	26,236	26,236	-	-	-
KPERS Special Retirement Contribution	-	-	1,123,489	1,123,489	-	-	-
Contingency Reserve	736,174	-	-	-	736,174	-	736,174
Technology Revolving	48,717	-	10,600	25,000	34,317	-	34,317
Gifts and Grants	148,325	-	43,433	35,465	156,293	-	156,293
Recreation Commission General	4,334	-	447,794	452,128	-	-	-
Recreation Commission Employee Benefits	-	-	57,055	56,819	236	-	236
District Activity Funds	71,116	-	234,046	241,082	64,080	-	64,080
Bond and Interest Fund:							
Bond and Interest	1,917,768	-	1,176,093	1,097,996	1,995,865	-	1,995,865
Trust Fund:							
Needy Children Fund	4,534	-	516	663	4,387	-	4,387
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)	$ 5,601,224	$ 2,841	$ 24,871,091	$ 24,894,128	$ 5,581,028	$ 140,041	$ 5,721,069

COMPOSITION OF CASH:	
Checking and Savings Accounts	$ 5,785,568
Agency Funds per Schedule 3	(64,499)
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)	$ 5,721,069

1. REPORTING ENTITY

Unified School District No. 405 (the District) is a municipal corporation governed by a citizen elected seven-member Board of Education.

This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

Lyons Recreation Commission. The Lyons Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the District levies taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission cannot purchase real property but can acquire real property by gift. The audited financial statement can be obtained by contacting the recreation commission's office.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Special Purpose Fund - Used to account for the proceeds of specific tax levies and other specific regulatory 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 long-term debt.

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

Agency Fund – Used to report assets held by the municipality in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

3. BUDGETARY INFORMATION

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

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

If the District is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to no sooner than August 20th and no later than September 20th, but at least ten days after all statutory notification and publication requirements have been met. District 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues 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 capital project funds, trust funds, and the following special purpose funds:

Title I Fund	Title I-C Migrant Fund
Title II-A Fund	Title VI-B Discretionary Fund
Title IV-A Fund	CARES Fund
KDHE Grant Fund	Other Federal Funds Fund
Contingency Reserve Fund	Technology Revolving Fund
Gifts and Grants Fund	Carl Perkins Fund
Registered Apprenticeship Grant Fund	District Activity Funds

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

4. DEPOSITS AND INVESTMENTS

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

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

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

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

At June 30, 2025, the District's carrying amount of deposits was $5,785,568 and the bank balance was $6,681,252. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $382,282 was covered by federal depository insurance and the remaining $6,298,970 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

5. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-5143	$ 35,000
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	1,541,681
General Fund	Capital Outlay Fund	K.S.A. 72-5167	180,000
General Fund	Driver Training Fund	K.S.A. 72-5167	5,000
General Fund	Professional Development Fund	K.S.A. 72-5167	170,000
General Fund	Parent Education Fund	K.S.A. 72-5167	86,494
General Fund	Special Education Fund	K.S.A. 72-5167	1,278,956
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	47,483
Supplemental General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-5143	10,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	407,425
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-5143	422,083
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	407,139
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	303,750

6. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,123,489 for the year ended June 30, 2025.

Net Pension Liability.
At June 30, 2025, the District's proportionate share of the net pension liability reported by KPERS was $10,045,884. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2024. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

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

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

Termination Benefits. The District provides an early retirement program for certain eligible employees. Employees who are currently certified or classified employees of the District, eligible for full KPERS early retirement benefits and have a minimum of 12 years (for certified employees) or 15 years (for classified employees) of employment within the District. Those eligible under this program may receive benefits for up to five years or until age 65.

Compensated Absences. The District provides compensation for absences. Classified employees are granted personal leave in the amount of one day for each month of the contract. Personal leave may accumulate to a maximum of 72 days. Leave for full time (12 month) and monthly clerical (11 month) employees will be bought back at $35 per day to a maximum of 12 days per year once leave is accumulated to a maximum of 72 days. Teachers are granted leave in the amount of 13 days per year. Leave is cumulative to a maximum of 100 days. Upon completion of a contract year, a request may be submitted to the District for reimbursement for the number of leave days granted for the current school year which have not been used. The total reimbursement for all teachers may not exceed $40,000.

For full time employees, vacation is earned according to the following schedule:

Years Employed	Vacation Leave per Month	Vacation Leave per Year
1	3.34 hours	40 days
2-10	6.67 hours	80 days
11-20	10.00 hours	120 days
21+	13.34 hours	160 days

No unused leave is paid out upon termination. There is no limit to accumulated vacation, but employees are required to use the accumulated vacation by October 1 of the next fiscal year, or the benefit is lost.

8. RELATED PARTIES

During the year ended June 30, 2025, the District employed two immediate family members of two board members, and two immediate family members of the superintendent.

9. 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; injuries to employees; and natural disasters. The District has been unable to obtain commercial property, inland marine, general liability, commercial auto, crime, school leaders errors and omissions, and umbrella insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other school districts in the State to participate in the Kansas Educational Risk Management Pool, LLC (KERMP), a public risk pool currently operating as a common risk management and insurance program for participating members.

The District pays an annual premium to KERMP for its commercial property liability coverage, general liability coverage, inland marine, comercial auto, crime, school leaders errors and omissions, and umbrella coverage. The agreement to participate provides that the KERMP will be self-sustaining through member premiums. Additional premiums may be due if total claims for the pool are different than what was been anticipated by KERMP management.

The District continues to carry commercial insurance for all other risks of loss, including workers compensation, athletics and activities liability, and cyber liability.

10. COMPLIANCE WITH STATUTES

In accordance with K.S.A 10-1113, the cash basis law requires that no indebtedness be created for a fund in excess of available monies in that fund. At June 30, 2025, the Registered Apprenticeship Grant Fund had a negative ending unencumbered cash balance of $5,000. This fund is on a reimbursement basis. The District incurred expenditures of $5,000 during the year ended June 30, 2025 for which the reimbursement was not received until the subsequent year. The negative balance was caused by the timing of the reimbursement.

11. LYONS UNIFIED SCHOOL DISTRICT NO. 405 EDUCATION ENDOWMENT ASSOCIATION

The Education Endowment Association was created in 1998 for the purpose of awarding scholarships to USD 405 graduates, and to aid in the USD 405 improvement efforts. The Education Endowment Association is funded through donations and has complete financial independence from USD 405. All donations from the Education Endowment Association are approved by the USD 405 Board of Education and posted to the Gifts and Grants fund.

12. LEASE PURCHASE AGREEMENT

On June 23, 2022, the District entered into a lease purchase agreement with Peoples Bank and Trust Company and the Lyons Recreation Commission (LRC) for the purpose of assisting the LRC with the financing necessary to construct certain improvements at the Lyons Public Golf Course. Under this agreement, the District will have possession of the real estate and acquire a pre-engineered building to be constructed, furnished, and equipped. The LRC would lease the property from the District during this time for the rate established by Peoples Bank and Trust Company for lease purchase payments. At the end of the lease purchase agreement, the District will then gift the property to LRC.

On May 8, 2023, the agreement between The District and the LRC was updated so that the District could deed the clubhouse portion of the property to the LRC while retaining ownership of the remaining golf course property through the end of the current lease agreement.

13. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2025 through January 5, 2026. The aforementioned date represents the date the financial statement was available to be issued.

14. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
GO Refunding and School Building Bond	2.000 - 4.000%	8/1/2013	$ 996,500	10/1/2033	$ 1,800,000	$ -	$ 550,000	$ 1,250,000	$ 49,225
GO School Building Bond Series 2014	2.000 - 4.000%	3/1/2014	3,380,000	10/1/2034	565,000	-	195,000	370,000	15,388
GO Refunding Bond Series 2020	0.593 - 2.469%	10/1/2020	9,060,000	10/1/2034	8,730,000	-	110,000	8,620,000	178,383
Total General Obligation Bonds					11,095,000	-	855,000	10,240,000	242,996
Finance leases:									
LRC Lease Purchase Agreement	2.120%	6/23/2022	307,000	7/1/2027	188,101	-	76,390	111,711	3,988
TOTAL CONTRACTUAL INDEBTEDNESS					$ 11,283,101	$ -	$ 931,390	$ 10,351,711	$ 246,984

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

Years ended	2026	2027	2028	2029	2030	2031-2035	Total
Principal							
GO Refunding and School Building Bond	$ 600,000	$ 650,000	$ -	$ -	$ -	$ -	$ 1,250,000
GO School Building Bond Series 2014	190,000	180,000	-	-	-	-	370,000
GO Refunding Bond Series 2020	110,000	115,000	990,000	1,020,000	1,060,000	5,325,000	8,620,000
LRC Lease Purchase Agreement	-	62,691	49,020	-	-	-	111,711
Total Principal	900,000	1,007,691	1,039,020	1,020,000	1,060,000	5,325,000	10,351,711
Interest							
GO Refunding and School Building Bond	31,375	10,888	-	-	-	-	42,263
GO School Building Bond Series 2014	9,625	3,150	-	-	-	-	12,775
GO Refunding Bond Series 2020	177,150	175,662	166,809	149,369	129,610	291,571	1,090,171
LRC Lease Purchase Agreement	-	2,686	1,039	-	-	-	3,725
Total Interest	218,150	192,386	167,848	149,369	129,610	291,571	1,148,934
TOTAL PRINCIPAL AND INTEREST	$ 1,118,150	$ 1,200,077	$ 1,206,868	$ 1,169,369	$ 1,189,610	$ 5,616,571	$ 11,500,645

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 405
SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 1

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds						
General	$ 8,171,333	$ (251,690)	$ 88,882	$ 8,008,525	$ 8,008,525	$ -
Supplemental General	2,728,919	(83,581)	2,671	2,648,009	2,642,148	(5,861)
Special Purpose Funds						
At Risk (4 Year Old)	65,000	-	-	65,000	44,474	(20,526)
At Risk (K-12)	2,022,904	-	-	2,022,904	1,951,939	(70,965)
Bilingual Education	404,025	-	-	404,025	377,440	(26,585)
Capital Outlay	2,601,663	-	-	2,601,663	1,147,005	(1,454,658)
Driver Training	35,413	-	-	35,413	17,778	(17,635)
Food Service	731,124	-	-	731,124	559,239	(171,885)
Professional Development	218,459	-	-	218,459	144,710	(73,749)
Parent Education	157,500	-	-	157,500	157,500	-
Special Education	1,940,017	-	-	1,940,017	1,656,021	(283,996)
Special Education Cooperative	4,686,807	-	-	4,686,807	4,473,711	(213,096)
Career and Postsecondary Education	552,093	-	-	552,093	364,882	(187,211)
KPERS Special Retirement Contribution	1,480,033	-	-	1,480,033	1,123,489	(356,544)
Recreation Commission General	469,928	-	-	469,928	452,128	(17,800)
Recreation Commission Employee Benefits	56,819	-	-	56,819	56,819	-
Bond and Interest Fund						
Bond and Interest	1,098,122	-	-	1,098,122	1,097,996	(126)

UNIFIED SCHOOL DISTRICT NO. 405
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Mineral Severance Tax	$ 382	$ 224	$ -	$ 224
State Aid:				
General State Aid	6,785,268	7,010,471	7,112,697	(102,226)
Special Education Services Aid	833,121	908,948	1,058,636	(149,688)
Reimbursements	65,435	88,882	-	88,882
Total Receipts	7,684,206	8,008,525	$ 8,171,333	$ (162,808)
Expenditures				
Instruction	2,129,200	2,463,258	$ 2,405,316	$ 57,942
Student Support Services	110,031	168,603	126,028	42,575
Instructional Support Services	267,854	261,598	302,675	(41,077)
General Administration	11,015	17,079	12,447	4,632
School Administration	546,047	616,496	616,447	49
Operations and Maintenance	736,678	740,820	831,541	(90,721)
Transportation	288,811	396,057	326,357	69,700
Operating Transfers	3,594,570	3,344,614	3,550,522	(205,908)
Adjustment to Comply with Legal Max	-	-	(251,690)	251,690
General Legal Fund Budget	7,684,206	8,008,525	7,919,643	88,882
Adjustment for Qualifying Budget Credit	-	-	88,882	(88,882)
Total Expenditures	7,684,206	8,008,525	$ 8,008,525	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 405
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	$ 1,028,797	$ 1,084,028	$ 1,152,043	$ (68,015)
Delinquent Tax	20,523	31,459	10,889	20,570
Motor Vehicle Tax	68,909	68,741	62,863	5,878
Commercial Vehicle Tax	-	-	1,778	(1,778)
16/20M Tax	1,769	1,493	-	1,493
RV Tax	1,270	1,277	4,218	(2,941)
State Aid:				
Supplemental General State Aid	1,307,702	1,413,140	1,457,789	(44,649)
Reimbursements	9,417	2,671	-	2,671
Total Receipts	2,438,387	2,602,809	$ 2,689,580	$ (86,771)
Expenditures				
Instruction	346,316	350,128	$ 367,474	$ (17,346)
Student Support Services	1,015	947	190,249	(189,302)
Instructional Support Services	6,280	7,204	6,657	547
General Administration	298,100	331,699	315,988	15,711
School Administration	17,175	18,523	17,724	799
Central Services	112,696	119,051	119,458	(407)
Operations and Maintenance	267,683	264,149	283,744	(19,595)
Transportation	139	50	147	(97)
Operating Transfers	1,372,303	1,550,397	1,427,478	122,919
Adjustment to Comply with Legal Max	-	-	(83,581)	83,581
Supplemental General Legal Fund Budget	2,421,707	2,642,148	2,645,338	(3,190)
Adjustment for Qualifying Budget Credit	-	-	2,671	(2,671)
Total Expenditures	2,421,707	2,642,148	$ 2,648,009	$ (5,861)
Receipts Over (Under) Expenditures	16,680	(39,339)		
Unencumbered Cash, Beginning	22,659	39,339		
Unencumbered Cash, Ending	$ 39,339	$ -		

UNIFIED SCHOOL DISTRICT NO. 405
AT RISK (4 YEAR OLD) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 35,000	$ 45,000	$ 37,100	$ 7,900
Expenditures				
Instruction	34,893	44,474	$ 65,000	$ (20,526)
Receipts Over (Under) Expenditures	107	526		
Unencumbered Cash, Beginning	70,092	70,199		
Unencumbered Cash, Ending	$ 70,199	$ 70,725		

UNIFIED SCHOOL DISTRICT NO. 405
AT RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 1,946,703	$ 1,949,106	$ 2,022,904	$ (73,798)
Expenditures				
Instruction	1,888,027	1,784,306	$ 1,768,733	$ 15,573
Student Support Services	177,083	143,823	159,375	(15,552)
School Administration	105,327	23,810	94,796	(70,986)
Total Expenditures	2,170,437	1,951,939	$ 2,022,904	$ (70,965)
Receipts Over (Under) Expenditures	(223,734)	(2,833)		
Unencumbered Cash, Beginning	223,734	-		
Prior Year Cancelled Encumbrances	-	2,833		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 405
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursements	$ -	$ 5,357	$ -	$ 5,357
Operating Transfers	351,312	422,083	254,025	168,058
Total Receipts	351,312	427,440	$ 254,025	$ 173,415
Expenditures				
Instruction	341,986	369,959	$ 396,190	$ (26,231)
School Administration	6,934	7,481	7,835	(354)
Total Expenditures	348,920	377,440	$ 404,025	$ (26,585)
Receipts Over (Under) Expenditures	2,392	50,000		
Unencumbered Cash, Beginning	147,608	150,000		
Unencumbered Cash, Ending	$ 150,000	$ 200,000		

UNIFIED SCHOOL DISTRICT NO. 405
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	$ 434,194	$ 388,227	$ 424,329	$ (36,102)
Delinquent	8,213	11,735	4,582	7,153
Motor Vehicle Tax	24,818	31,156	28,513	2,643
Commercial Vehicle Tax	-	-	807	(807)
16/20M Tax	553	680	-	680
RV Tax	448	580	1,913	(1,333)
In Lieu of Taxes	-	2,543	-	2,543
State Aid	234,612	232,463	235,596	(3,133)
Reimbursements	137,672	202,434	50,000	152,434
Interest on Idle Funds	139,652	111,025	85,000	26,025
Operating Transfers	478,265	180,000	382,392	(202,392)
Total Receipts	1,458,427	1,160,843	$ 1,213,132	$ (52,289)
Expenditures				
Instruction	109,323	265,432	$ 511,802	$ (246,370)
School Administration	13,940	4,478	39,924	(35,446)
Operations and Maintenance	1,281,599	655,256	915,981	(260,725)
Transportation	-	132,857	255,000	(122,143)
Site Improvement Services	-	-	307,076	(307,076)
Architectural and Engineering Services	625	-	-	-
New Building Acquisition & Construction	65,377	80,377	471,880	(391,503)
Building Improvements	8,820	8,605	100,000	(91,395)
Total Expenditures	1,479,684	1,147,005	$ 2,601,663	$ (1,454,658)
Receipts Over (Under) Expenditures	(21,257)	13,838		
Unencumbered Cash, Beginning	1,409,788	1,388,531		
Unencumbered Cash, Ending	$ 1,388,531	$ 1,402,369		

UNIFIED SCHOOL DISTRICT NO. 405
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
State Safety Aid	$ 6,815	$ 5,945	$ 6,750	$ (805)
Fees	5,622	5,625	5,500	125
Operating Transfers	3,000	5,000	3,180	1,820
Total Receipts	15,437	16,570	$ 15,430	$ 1,140
Expenditures				
Instruction	12,084	11,649	$ 31,413	$ (19,764)
Operations and Maintenance	2,406	6,129	4,000	2,129
Total Expenditures	14,490	17,778	$ 35,413	$ (17,635)
Receipts Over (Under) Expenditures	947	(1,208)		
Unencumbered Cash, Beginning	19,036	19,983		
Unencumbered Cash, Ending	$ 19,983	$ 18,775		

UNIFIED SCHOOL DISTRICT NO. 405
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
Food Service Aid	$ 4,386	$ 4,073	$ 3,654	$ 419
Federal Aid:				
Child Nutrition Programs	411,704	366,274	506,104	(139,830)
Local Receipts	85,479	79,807	112,065	(32,258)
Interest	946	439	850	(411)
Reimbursements	29,964	55,974	20,000	35,974
Total Receipts	532,479	506,567	$ 642,673	$ (136,106)
Expenditures				
Food Service Operation	624,585	559,239	$ 731,124	$ (171,885)
Receipts Over (Under) Expenditures	(92,106)	(52,672)		
Unencumbered Cash, Beginning	180,557	88,451		
Unencumbered Cash, Ending	$ 88,451	$ 35,779		

UNIFIED SCHOOL DISTRICT NO. 405
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	$ 7,353	$ 9,428	$ 12,257	$ (2,829)
Reimbursements	27,804	38,398	-	38,398
Operating Transfers	70,000	170,000	74,200	95,800
Total Receipts	105,157	217,826	$ 86,457	$ 131,369
Expenditures				
Instructional Support Services	98,361	144,710	$ 218,459	$ (73,749)
Receipts Over (Under) Expenditures	6,796	73,116		
Unencumbered Cash, Beginning	121,802	128,598		
Unencumbered Cash, Ending	$ 128,598	$ 201,714		

UNIFIED SCHOOL DISTRICT NO. 405
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Payments From Participating Districts	$ 16,229	$ 5,756	$ 16,224	$ (10,468)
State Aid	64,970	65,250	65,250	-
Operating Transfers	67,280	86,494	76,026	10,468
Total Receipts	148,479	157,500	$ 157,500	$ -
Expenditures				
Student Support Services	148,479	157,500	$ 157,500	$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 405
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating Transfers	$ 1,520,126	$ 1,686,095	$ 1,608,526	$ 77,569
Expenditures				
Payments to Special Education COOP	1,483,279	1,656,021	$ 1,940,017	$ (283,996)
Receipts Over (Under) Expenditures	36,847	30,074		
Unencumbered Cash, Beginning	294,643	331,490		
Unencumbered Cash, Ending	$ 331,490	$ 361,564		

UNIFIED SCHOOL DISTRICT NO. 405
SPECIAL EDUCATION COOPERATIVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Federal Aid	$ 469,357	$ 461,839	$ 670,000	$ (208,161)
Medicaid Payments	71,587	63,234	90,000	(26,766)
Payments From Participating Districts	3,307,002	3,709,279	2,690,735	1,018,544
Cost Settlement	103,704	-	-	-
Other Income	63,749	88,079	-	88,079
Miscellaneous	25,653	10,200	1,095,000	(1,084,800)
Total Receipts	4,041,052	4,332,631	$ 4,545,735	$ (213,104)
Expenditures				
Instruction	2,950,625	3,084,527	3,316,832	(232,305)
Student Support Services	901,825	977,664	1,044,033	(66,369)
General Administration	244,746	263,860	274,116	(10,256)
School Administration	30,993	99,949	-	99,949
Operations and Maintenance	1,032	800	1,156	(356)
Student Transportation Services	45,241	46,911	50,670	(3,759)
Total Expenditures	4,174,462	4,473,711	$ 4,686,807	$ (213,096)
Receipts Over (Under) Expenditures	(133,410)	(141,080)		
Unencumbered Cash, Beginning	274,451	141,072		
Prior Year Cancelled Encumbrances	31	8		
Unencumbered Cash, Ending	$ 141,072	$ -		

UNIFIED SCHOOL DISTRICT NO. 405
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Reimbursements	$ 5,089	$ 4,806	$ -	$ 4,806
Operating Transfers	335,766	351,233	239,500	111,733
Total Receipts	340,855	356,039	$ 239,500	$ 116,539
Expenditures				
Instruction	314,759	353,598	$ 538,250	$ (184,652)
School Administration	12,584	11,284	13,843	(2,559)
Total Expenditures	327,343	364,882	$ 552,093	$ (187,211)
Receipts Over (Under) Expenditures	13,512	(8,843)		
Unencumbered Cash, Beginning	299,081	312,593		
Unencumbered Cash, Ending	$ 312,593	$ 303,750		

UNIFIED SCHOOL DISTRICT NO. 405
CARL PERKINS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Reimbursements	$ 3,522	$ 2,657
Expenditures		
Equipment	3,522	2,657
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
TITLE I FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 207,389	$ 204,738
Expenditures		
Instruction	207,389	204,738
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
TITLE I-C MIGRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 4,857	$ -
Expenditures		
Instruction	4,857	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
TITLE II-A FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 24,739	$ 22,871
Expenditures		
Instruction	24,739	22,871
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
TITLE VI-B DISCRETIONARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 20,084	$ 22,084
Expenditures		
Instruction	20,084	22,084
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
TITLE IV-A FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 20,945	$ 20,278
Expenditures		
Instruction	20,945	20,278
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
CARES FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 623,966	$ -
Expenditures		
Instruction	-	-
Receipts Over (Under) Expenditures	623,966	-
Unencumbered Cash, Beginning	(623,966)	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
KDHE GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 5,961	$ -
Expenditures		
Student Support Services	-	-
Receipts Over (Under) Expenditures	5,961	-
Unencumbered Cash, Beginning	(5,961)	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
REGISTERED APPRENTICESHIP GRANT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ -	$ 12,250
Expenditures		
Instruction	-	17,250
Receipts Over (Under) Expenditures	-	(5,000)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ (5,000)

UNIFIED SCHOOL DISTRICT NO. 405
OTHER FEDERAL FUNDS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	$ 21,330	$ 26,236
Expenditures		
Instruction	20,300	26,236
Total Expenditures	20,300	26,236
Receipts Over (Under) Expenditures	1,030	-
Unencumbered Cash, Beginning	(1,030)	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 405
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid:				
KPERS Employer Contributions	$ 1,184,026	$ 1,123,489	$ 1,480,033	$ (356,544)
Expenditures				
Instruction	402,569	381,985	$ 503,209	$ (121,224)
Student Support	118,403	112,349	148,004	(35,655)
Instructional Support	71,041	67,410	88,803	(21,393)
General Administration	106,563	101,115	133,204	(32,089)
School Administration	118,402	112,349	148,004	(35,655)
Central Services	59,202	56,175	74,003	(17,828)
Operations and Maintenance	142,083	134,819	177,604	(42,785)
Student Transportation Services	106,563	101,115	133,204	(32,089)
Food Service	59,200	56,172	73,998	(17,826)
Total Expenditures	1,184,026	1,123,489	$ 1,480,033	$ (356,544)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 405
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	$ 159,421	$ -
Expenditures		
Instruction	-	-
Receipts Over (Under) Expenditures	159,421	-
Unencumbered Cash, Beginning	576,753	736,174
Unencumbered Cash, Ending	$ 736,174	$ 736,174

UNIFIED SCHOOL DISTRICT NO. 405
TECHNOLOGY REVOLVING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Fees	$ 12,456	$ 10,600
Expenditures		
Instruction	19,503	25,000
Receipts Over (Under) Expenditures	(7,047)	(14,400)
Unencumbered Cash, Beginning	55,764	48,717
Unencumbered Cash, Ending	$ 48,717	$ 34,317

UNIFIED SCHOOL DISTRICT NO. 405
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Donations	$ 170,341	$ 43,433
Expenditures		
Instruction	40,663	35,465
Receipts Over (Under) Expenditures	129,678	7,968
Unencumbered Cash, Beginning	18,647	148,325
Unencumbered Cash, Ending	$ 148,325	$ 156,293

UNIFIED SCHOOL DISTRICT NO. 405
RECREATION COMMISSION GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Tax	$ 431,224	$ 399,384	$ 425,492	$ (26,108)
Delinquent Tax	9,360	13,512	4,564	8,948
Motor Vehicle Tax	30,013	31,075	28,486	2,589
16/20M Tax	748	696	-	696
RV Tax	550	583	1,912	(1,329)
Commercial Vehicle Tax	-	-	806	(806)
In Lieu of Taxes	-	2,544	-	2,544
Other Income	-	-	4,334	(4,334)
Total Receipts	471,895	447,794	$ 465,594	$ (17,800)
Expenditures				
Appropriations	467,561	452,128	$ 469,928	$ (17,800)
Receipts Over (Under) Expenditures	4,334	(4,334)		
Unencumbered Cash, Beginning	-	4,334		
Unencumbered Cash, Ending	$ 4,334	$ -		

UNIFIED SCHOOL DISTRICT NO. 405
RECREATION COMMISSION EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Tax	$ 53,903	$ 50,993	$ 52,193	$ (1,200)
Delinquent Tax	1,172	1,700	570	1,130
Motor Vehicle Tax	3,751	3,884	3,702	182
16/20M Tax	93	87	-	87
RV Tax	69	73	249	(176)
Commercial Vehicle Tax	-	-	105	(105)
In Lieu of Taxes	-	318	-	318
Total Receipts	58,988	57,055	$ 56,819	$ 236
Expenditures				
Appropriations	58,988	56,819	$ 56,819	$ -
Receipts Over (Under) Expenditures	-	236		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ 236		

UNIFIED SCHOOL DISTRICT NO. 405
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Tax	$ 598,243	$ 533,809	$ 583,840	$ (50,031)
Delinquent Tax	14,334	20,368	6,305	14,063
Motor Vehicle Tax	45,010	45,423	41,645	3,778
16/20M Tax	1,129	1,045	-	1,045
RV Tax	825	847	2,794	(1,947)
Commercial Vehicle Tax	-	-	1,177	(1,177)
In Lieu of Taxes	-	3,643	-	3,643
State Aid	564,167	570,958	570,958	-
Total Receipts	1,223,708	1,176,093	$ 1,206,719	$ (30,626)
Expenditures				
Bond Principal	820,000	855,000	$ 855,000	$ -
Bond Interest	264,937	242,996	243,122	(126)
Total Expenditures	1,084,937	1,097,996	$ 1,098,122	$ (126)
Receipts Over (Under) Expenditures	138,771	78,097		
Unencumbered Cash, Beginning	1,778,997	1,917,768		
Unencumbered Cash, Ending	$ 1,917,768	$ 1,995,865		

UNIFIED SCHOOL DISTRICT NO. 405
NEEDY CHILDREN FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2024)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Donations	$ 500	$ 516
Expenditures		
Scholarships	586	663
Receipts Over (Under) Expenditures	(86)	(147)
Unencumbered Cash, Beginning	4,620	4,534
Unencumbered Cash, Ending	$ 4,534	$ 4,387

UNIFIED SCHOOL DISTRICT NO. 405
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 3

Agency Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organizations				
Lyons High School				
Art Club	$ 1,382	$ -	$ -	$ 1,382
Ambassadors	-	851	559	292
Class of 2025	1,655	1,160	2,815	-
Class of 2026	1,342	6,266	6,823	785
Class of 2027	864	1,638	611	1,891
Class of 2028	-	1,837	539	1,298
Entrepreneurship	152	-	-	152
Esports	1,929	-	312	1,617
Family Career & Community	249	-	-	249
FFA Concessions	2,716	18,623	20,682	657
Fire Science	1,257	-	40	1,217
Foreign Language Club	1,652	1,408	1,391	1,669
Greenhouse	10,794	978	3,700	8,072
Halo Organization	107	-	-	107
National Honor Society	260	82	139	203
Pride	333	-	200	133
Pride Room Dog Biscuit	1,245	414	829	830
ROTC Student	1,481	6,369	5,657	2,193
Scholars Bowl	1,483	1,114	876	1,721
Skills USA	500	-	-	500
Spanish Trip	3,013	43,357	45,615	755
Student Council	5,995	3,464	1,655	7,804
Starbooks Café	159	-	-	159
Subtotal Lyons High School	38,568	87,561	92,443	33,686
Lyons Middle School				
Counselor	1,651	591	-	2,242
Diversity Club	972	-	151	821
FACS	817	396	-	1,213
Student Council	779	-	-	779
Subtotal Lyons Middle School	4,219	987	151	5,055
Total Student Organizations	42,787	88,548	92,594	38,741
Lyons Middle School Sales Tax	-	565	445	120
Central Elementary School Sales Tax	91	78	169	-
Health Insurance	31,228	-	5,590	25,638
Total Agency Funds	$ 74,106	$ 89,191	$ 98,798	$ 64,499

UNIFIED SCHOOL DISTRICT NO. 405
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 4

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Lyons High School	$ 17,556	$ 135,441	$ 132,625	$ 20,372	$ -	$ 20,372
Lyons Middle School	2,471	25,427	23,857	4,041	-	4,041
Subtotal Gate Receipts	20,027	160,868	156,482	24,413	-	24,413
School Projects						
Lyons High School	40,035	55,021	65,707	29,349	-	29,349
Lyons Middle School	4,370	2,230	2,560	4,040	-	4,040
Park Elementary School	1,717	2,743	2,666	1,794	-	1,794
Central Elementary School	4,967	4,148	4,631	4,484	-	4,484
Subtotal School Projects	51,089	64,142	75,564	39,667	-	39,667
Revolving Funds						
Lyons High School	-	9,028	9,028	-	-	-
Lyons Middle School	-	8	8	-	-	-
Subtotal Revolving Funds	-	9,036	9,036	-	-	-
Total District Activity Funds	$ 71,116	$ 234,046	$ 241,082	$ 64,080	$ -	$ 64,080

UNIFIED SCHOOL DISTRICT NO. 405
SINGLE AUDIT SECTION
JUNE 30, 2025

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

To the Board of Education of Unified School District No. 405:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide,* the financial statement of Unified School District No. 405 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated January 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 405'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 statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 405's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 405's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 405's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Unified School District No. 405's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.
Salina, Kansas
January 5, 2026

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

To the Board of Education of Unified School District No. 405:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Unified School District No. 405's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 405's major federal programs for the year ended June 30, 2025. Unified School District No. 405's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Unified School District No. 405 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis of Opinion on Each Major Federal Program

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

We are required to be independent of Unified School District No. 405 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Unified School District No. 405's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Unified School District No. 405's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Unified School District No. 405's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,*

and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about Unified School District's No. 405's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional 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 Unified School District No. 405's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Unified School District No. 405's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 405's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be a material weakness, 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.

SSC CPAs, P.A.
Salina, Kansas
January 5, 2026

UNIFIED SCHOOL DISTRICT NO. 405
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 405 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

2. No material weaknesses were identified and no significant deficiencies were reported in the design or operation of internal control over financial reporting.

3. No instances of noncompliance material to the financial statement of Unified School District No. 405, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No material weaknesses were identified and no significant deficiencies were reported during the audit of the major federal award program.

5. The auditor's report on compliance for each major federal program for Unified School District No. 405 expresses an unmodified opinion on all major federal programs.

6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.

7. The program tested as a major program was: Special Education Cluster (IDEA), Assistance Listing Numbers 84.027 and 84.173.

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

9. Unified School District No. 405 was determined to not be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

None

UNIFIED SCHOOL DISTRICT NO. 405
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

None.

OTHER INFORMATION

UNIFIED SCHOOL DISTRICT NO. 405
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor	Assistance Listing Number	Pass-Through Entity Name	Name of Grant - Grant ID No.	Federal Expenditures
EXPENDITURES OF FEDERAL AWARDS				
Child Nutrition Cluster-Cluster				
United States Department of Agriculture				
School Breakfast Program	10.553	Kansas State Department of Education	School Breakfast 3529-3490	$ 46,238
National School Lunch Program	10.555	Kansas State Department of Education	Supply Chain Assistance 3530-3500	268,870
Summer Food Service Program for Children	10.559	Kansas State Department of Education	Summer Food Service 3230-3020	12,745
Summer Food Service Program for Children	10.559	Kansas State Department of Education	Cash for Commodities 3530-3500	22,522
Fresh Fruit and Vegetable Program	10.582	Kansas State Department of Education	Fresh Fruits & Vegetables 3230-3020	15,900
Total United States Department of Agriculture				366,275
Total Child Nutrition Cluster-Cluster				366,275
Special Education Cluster (IDEA)-Cluster				
Department of Education				
Special Education Grants to States	84.027	Kansas State Department of Education	Special Ed 3234-3050	459,239
Special Education Preschool Grants	84.173	Kansas State Department of Education	Special Ed Preschool 3535-3550	24,684
Total Department of Education				483,923
Total Special Education Cluster (IDEA)-Cluster				483,923
Other Programs				
Department of Labor				
Registered Apprenticeship	17.285	Kansas State Department of Education	Registered Apprenticeship 3056-3200	17,250
Total Department of Labor				17,250
Department of Education				
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education	Title I 3532-3520	204,738
English Language Acquisition State Grants	84.365	Kansas State Department of Education	Title III 3522-3820	16,106
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education	Title II 3526-3860	22,871
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education	Title IVA 3113-3113	20,278
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act (COVID-19)	84.425	Kansas State Department of Education	ESSER 3233-3040	10,128
Total Department of Education				274,121
Total Other Programs				291,371
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,141,569

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 405 (the District) and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3. DE MINIMIS INDIRECT COST RATE

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