UNIFIED SCHOOL DISTRICT NO. 475

Junction City, Kansas

FINANCIAL STATEMENT

June 30, 2025

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
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November 25, 2025

Board of Education
Unified School District No. 475
Junction City, Kansas

Independent Auditor's Report

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. 475 (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 District, 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* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), KMAAG and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits. 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 the 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 KMAAG, 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 the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 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.

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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 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, we:

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

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

Supplementary Information

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

Supplementary Information (Continued)

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2024 (not presented herein), and have issued our report thereon dated October 23, 2024, which contained an unmodified opinion on the basic financial statement. The 2024 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipal-services. The 2025 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 was subjected to the auditing procedures applied in the audit of the 2024 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2024 basic financial statement 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, 2025, on the basis of accounting described in Note 1.

Other Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 25, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS						
General Funds						
General	$ -	$ 63,931,466	$ 63,931,466	$ -	$ 492,803	$ 492,803
Supplemental General	(228,925)	20,528,135	20,575,625	(276,415)	432,846	156,431
Special Purpose Funds						
Preschool-Aged At-Risk Fund	2,670,693	2,566,795	1,057,274	4,180,214	34,291	4,214,505
At-Risk (K-12) Fund	13,530,150	11,678,751	12,095,725	13,113,176	189,428	13,302,604
Bilingual Education Fund	2,518,565	3,003,169	2,693,451	2,828,283	54,862	2,883,145
Virtual Education	309,631	200,000	32,190	477,441	790	478,231
Capital Outlay Fund	13,040,755	18,827,514	16,099,136	15,769,133	298,764	16,067,897
Driver Training Fund	31,085	40,750	43,388	28,447	-	28,447
Contingency Reserve Fund	3,600,000	500,000	-	4,100,000	-	4,100,000
Food Service Fund	1,944,431	3,937,031	4,617,737	1,263,725	(489)	1,263,236
Professional Development Fund	638,264	841,247	323,629	1,155,882	1,886	1,157,768
Parent Education Program Fund	99,156	218,890	215,827	102,219	2,195	104,414
Special Education Fund	1,930,362	21,281,181	20,535,756	2,675,787	381,643	3,057,430
Career and Postsecondary Education Fund	1,751,965	2,572,950	1,599,339	2,725,576	49,613	2,775,189
KPERS Special Retirement Contribution Fund	-	8,051,543	8,051,543	-	-	-
Textbook Rental Fund	1,281,197	760,172	367,325	1,674,044	412	1,674,456
Grants Fund	126,147,484	29,373,658	25,139,741	130,381,401	117,280	130,498,681
District Activity Fund	100,361	553,215	542,480	111,096	-	111,096
Bond and Interest Fund						
Bond and Interest Fund	653,548	4,518,531	4,926,307	245,772	-	245,772
Capital Project Funds						
Construction Bond Refinance Fund	20,500	-	3,000	17,500	-	17,500
Total Reporting Entity (Excluding Agency Funds)	$ 170,039,222	$ 193,384,998	$ 182,850,939	$ 180,573,281	$ 2,056,324	$ 182,629,605

(continued)

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

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2025

Composition of Cash	
Checking	
Central National Bank	$ 101,850,949
Armed Forces Bank	54,327
Investments	85,247,506
CDs	54,936,385
Total Cash	$ 242,089,167
Less: Agency funds per Schedule 3	(59,459,562)
Total Reporting Entity (Excluding Agency Funds)	$ 182,629,605

STATEMENT 1 (CONTINUED)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2025

Note 1: Summary of Significant Accounting Policies

Unified School District No. 475 (the District), is a municipal corporation governed by an elected seven member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of $345,276 and $2,085 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District could have the following types of funds:

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 revenue 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 District (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the District, scholarship funds, etc.).

Agency Fund - used to report assets held by the District in a purely custodial capacity.

Note 1: Summary of Significant Accounting Policies (Continued)

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) and bond and interest funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th, 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 hearing.

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.

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 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 budget expenditure authority lapses at year end.

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

Contingency Reserve Fund	Textbook and Student Material Revolving Fund
District Activity	

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

Note 2: Deposits and Investments

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.

Note 2: Deposits and Investments (Continued)

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 that of 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.

At June 30, 2025, the District has the following investments:

		Investment Maturities (in Years)		
Investment Type	**Fair Value**	**Less than 1**	**1 - 2**	**Rating U.S.**
U.S. Government Agencies				
Federated Government Obligations	$ 29,883,846	$ 29,883,846	$ -	
United States Treasury Notes	54,539,712	-	54,539,712	S&P A-1+
	$ 84,423,558	$ 29,883,846	$ 54,539,712	

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, is as follows:

Investment	**Investment**
Federated Government Obligations	35%
United States Treasury Notes	65%

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 at June 30, 2025.

At June 30, 2025, the District's carrying amount of deposits was $156,840,141 and the bank balance was $162,029,235. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, $554,436 was covered by federal depository insurance and the remaining balance was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

Note 3: Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Refunded	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds To Be Paid With Tax Levies										
2017A Construction	3.375 - 5.00%	12/21/2017	$ 63,500,000	9/1/2043	$ 2,175,000	$ -	$ -	$ -	$ 2,175,000	$ 108,750
2017C Construction	2.652 - 3.909%	12/21/2017	41,500,000	9/1/2043	2,680,000	-	-	1,195,000	1,485,000	59,671
GO Bond Series 2021-A	0.25% - 2.70%	9/2/2021	71,360,000	9/1/2043	69,460,000	-	-	955,000	68,505,000	1,392,385
GO Bond Series 2021-B	3.00% - 4.00%	9/2/2021	37,175,000	9/1/2043	37,175,000	-	-	-	37,175,000	1,215,500
Total GO Bonds					$ 111,490,000	$ -	$ -	$ 2,150,000	$ 109,340,000	$ 2,776,306
Lease Purchase										
Lease Purchase	4.93%	12/15/2023	$ 30,000,000	9/1/2033	$ 30,000,000	$ -	$ -	$ 2,770,000	$ 27,230,000	$ 1,722,953
Finance Leases										
Computer Leases	8.45%	7/12/2024	$ 3,415,684	7/1/2026	3,415,684	-	-	1,232,106	2,183,578	-
Total Long-Term Debt					$ 144,905,684	$ -	$ -	$ 6,152,106	$ 138,753,578	$ 4,499,259

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

	2026	2027	2028	2029	2030	2031-2035	2036-2040	2041-2045	Total
General Obligation Bonds									
Principal	$ 4,620,000	$ 4,765,000	$ 4,860,000	$ 4,960,000	$ 5,060,000	$ 27,165,000	$ 30,580,000	$ 27,330,000	$ 109,340,000
Interest	2,677,172	2,550,790	2,453,851	2,349,150	2,236,542	9,317,761	5,828,522	1,556,658	28,970,446
Lease Purchase									
Principal	2,475,000	2,600,000	2,725,000	2,860,000	3,005,000	13,565,000	-	-	27,230,000
Interest	1,281,431	1,156,331	1,025,071	887,400	742,827	1,377,811	-	-	6,470,871
Capital Leases									
Principal	1,047,512	1,136,066	-	-	-	-	-	-	2,183,578
Interest	184,593	96,040	-	-	-	-	-	-	280,633
	$ 12,285,708	$ 12,304,227	$ 11,063,922	$ 11,056,550	$ 11,044,369	$ 51,425,572	$ 36,408,522	$ 28,886,658	$ 174,475,528

Note 4: Interfund Transfers

The District made the following operating transfers during the fiscal year. The transfers were approved by the Board of Education.

Fund From	Fund To	Statutory Authority	Amount
General	At-Risk (K-12)	K.S.A. 72-6478	$ 9,033,427
General	Career & Postsecondary Ed	K.S.A. 72-6478	1,250,000
General	Special Education	K.S.A. 72-6478	14,038,070
General	Bilingual education	K.S.A. 72-6478	1,250,000
General	Professional Development	K.S.A. 72-6478	100,000
General	Contingency Reserve	K.S.A. 72-6478	500,000
General	Textbook and Student Materials	K.S.A. 72-6478	750,000
General	Preschool-Aged At-Risk	K.S.A. 72-6478	1,050,000
Supplemental	Bilingual education	K.S.A. 72-6478	753,169
Supplemental	Virtual Education	K.S.A. 72-6478	200,000
Supplemental	Professional Development	K.S.A. 72-6478	192,138
Supplemental	Special Education	K.S.A. 72-6478	3,577,729
Supplemental	Career & Postsecondary Ed	K.S.A. 72-6478	820,000
Supplemental	At-Risk (K-12)	K.S.A. 72-6478	2,641,636
Supplemental	Preschool-Aged At-Risk	K.S.A. 72-6478	1,016,795
Supplemental	Parent Education Program	K.S.A. 72-6478	75,000
Grants	Bond and Interest	Board Approval	2,000,000
	Total Transfers		$ 39,247,964

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 required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kspers.gov or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 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.

Note 5: Defined Benefit Pension Plan (Continued)

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 $8,051,543 for the year ended June 30, 2025.

Net Pension Liability. At June 30, 2025, the District's proportionate share of the collective net pension liability reported by KPERS was $71,498,589. 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.kspers.gov or can be obtained as described above.

Note 6: Termination Benefits

The District has a plan which covers administrators and teachers who voluntarily take early retirement. A teacher is eligible for early retirement if such employee is a full time employee, retiring under the provisions of KPERS with 85 points and not more than 64 years of age, has fifteen years or more of continuous service with the District, and has accumulated at least 60 days of leave. An administrator is eligible if such employee has fifteen years or more of service with the District.

Benefits are payable monthly for a maximum term of 5 years or until the recipient reaches 65 years of age. There were no costs of this plan for the year ended June 30, 2025.

The employees eligible for the retirement plan are also eligible to remain in the District health insurance plan. The retired employees will participate on the same basis as current employees.

Note 6: Termination Benefits (Continued)

The retirement benefit and health insurance contribution is not funded but is to be paid from each year's operating budget. The benefits due under the plan for the next five years are as follows:

Year	Benefits Due	Health Insurance Contribution	Total Due
2025-2026	$ 107,512	$ 174,860	$ 282,372
2026-2027	62,504	120,704	183,208
2027-2028	47,797	88,050	135,847
2028-2029	28,894	56,187	85,081
2029-2030	14,957	32,924	47,881
2030-2031	1,597	4,604	6,201
Total	$ 263,261	$ 477,329	$ 740,590

Note 7: Compensated Absences

It is the District's policy to pay full time classified employees unused vacation pay upon termination of employment. Vacation is earned one day per month and must be used within eighteen months of being earned. The amount of unused vacation for these employees as of June 30, 2025 was $324,073.

Note 8: 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. In 1991 the District joined other Kansas school districts to participate in Risk Management Services, Inc. (RMS), a workers' compensation insurance public entity risk pool. The pool operates as a common risk management and insurance program for certain Kansas school districts. The District pays an annual premium for its workers compensation insurance coverage. The District's contractual agreement with RMS provides that RMS will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $300,000 (for each insured event). The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

Note 9: Commitments and Contingencies

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

Note 10: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 government 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. Under the current group health plan contract, the District is responsible for actual claims incurred under this program up to maximum claim liability limits under the contract.

Note 11: Operating Lease

The District has an agreement with Enterprise for the lease of several vehicles, with no option to purchase.

Note 12: Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the 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 13: Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statement to maintain consistency between periods presented. The reclassifications had no impact on previously reported unencumbered cash balances.

Note 14: Subsequent Events

The District evaluated subsequent events through the date the financial statement is available to be issued, which is the date of the Auditor's Report.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
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	Variance - Over (Under)
Governmental Type Funds						
General Funds						
General	$ 67,206,542	$ (3,595,632)	$ 345,276	$ 63,956,186	$ 63,931,466	$ (24,720)
Supplemental General	21,000,000	(426,513)	2,085	20,575,572	20,575,625	53
Special Purpose Funds						
Pre-School Aged At-Risk Fund	1,263,800	-	-	1,263,800	1,057,274	(206,526)
At-Risk (K-12) Fund	19,777,600	-	-	19,777,600	12,095,725	(7,681,875)
Bilingual Education Fund	3,143,615	-	-	3,143,615	2,693,451	(450,164)
Virtual Education	100,000	-	-	100,000	32,190	(67,810)
Capital Outlay Fund	32,325,288	-	-	32,325,288	16,099,136	(16,226,152)
Driver Training Fund	65,000	-	-	65,000	43,388	(21,612)
Food Service Fund	5,338,200	-	-	5,338,200	4,617,737	(720,463)
Professional Development Fund	904,025	-	-	904,025	323,629	(580,396)
Parent Education Program Fund	215,828	-	-	215,828	215,827	(1)
Special Education Fund	22,807,527	-	-	22,807,527	20,535,756	(2,271,771)
Career and Postsecondary Education Fund	2,069,399	-	-	2,069,399	1,599,339	(470,060)
KPERS Special Retirement Contribution Fund	9,342,477	-	-	9,342,477	8,051,543	(1,290,934)
Bond and Interest Fund						
Bond and Interest Fund	4,930,806	-	-	4,930,806	4,926,307	(4,499)
Total of all Funds	$ 190,490,107	$ (4,022,145)	$ 347,361	$ 186,815,323	$ 156,798,393	$ (30,016,930)

SCHEDULE 2

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local sources				
Other	$ 21	$ 21	$ -	$ 21
State Aid				
Equalization aid	49,531,763	52,658,197	54,082,555	(1,424,358)
Special education	9,736,594	10,927,972	13,123,987	(2,196,015)
Reimbursements	452,002	345,276	-	345,276
Total Cash Receipts	$ 59,720,380	$ 63,931,466	$ 67,206,542	$ (3,275,076)
EXPENDITURES				
Instruction	$ 15,630,316	$ 15,784,047	$ 18,248,000	$ (2,463,953)
Student support services	3,760,866	4,824,901	4,004,000	820,901
Instructional support staff	2,865,483	2,267,967	3,045,500	(777,533)
General administration	768,465	805,087	873,350	(68,263)
School administration	5,143,470	4,301,514	5,493,600	(1,192,086)
Central services	2,029,904	2,179,967	2,123,750	56,217
Operations and maintenance	3,550,008	3,565,432	4,011,990	(446,558)
Student transportation	1,687,073	2,214,104	1,844,250	369,854
Other support services	-	16,950	50,000	(33,050)
Transfers out	24,284,795	27,971,497	27,512,102	459,395
Adjustment to comply with legal maximum	-	-	(3,595,632)	3,595,632
Adjustments for qualifying budget credits	-	-	345,276	(345,276)
Total Expenditures	$ 59,720,380	$ 63,931,466	$ 63,956,186	$ (24,720)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenues				
Ad valorem taxes	$ 2,896,424	$ 2,973,294	$ 3,932,586	$ (959,292)
Delinquent tax	63,772	63,480	55,592	7,888
Motor vehicle tax	393,095	376,828	334,222	42,606
Commercial Vehicle Tax	-	11	-	11
State aid	14,579,779	15,942,395	16,272,900	(330,505)
Miscellaneous	201,230	1,170,042	-	1,170,042
Reimbursements	8,032	2,085	-	2,085
In lieu of taxes	35,477	-	-	-
Total Cash Receipts	$ 18,177,809	$ 20,528,135	$ 20,595,300	$ (67,165)
EXPENDITURES				
Instruction	$ 3,749,733	$ 2,784,361	$ 3,929,000	$ (1,144,639)
Student support services	12,492	-	15,100	(15,100)
Instructional support services	1,546,505	1,063,642	1,695,035	(631,393)
General administration	144,379	114,105	178,449	(64,344)
School administration	31,834	31,637	37,000	(5,363)
Central services	3,485,924	3,527,789	3,557,000	(29,211)
Operations and maintenance	2,623,652	3,777,624	3,772,850	4,774
Student Transportation	187	-	200	(200)
Transfers out	7,194,440	9,276,467	7,815,366	1,461,101
Adjustment to comply with legal maximum	-	-	(426,513)	426,513
Adjustment to qualifying budget credits	-	-	2,085	(2,085)
Total Expenditures	$ 18,789,146	$ 20,575,625	$ 20,575,572	$ 53
RECEIPTS OVER (UNDER) EXPENDITURES	$ (611,337)	$ (47,490)		
UNENCUMBERED CASH - BEGINNING	382,412	(228,925)		
UNENCUMBERED CASH - ENDING	$ (228,925)	$ (276,415)		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local sources	$ 400,000	$ 500,000	$ 200,000	$ 300,000
Transfers in	1,700,000	2,066,795	1,000,000	1,066,795
Total Cash Receipts	$ 2,100,000	$ 2,566,795	$ 1,200,000	$ 1,366,795
EXPENDITURES				
Instruction	$ 745,051	$ 995,074	$ 1,181,600	$ (186,526)
Student support services	5,691	7,782	11,200	(3,418)
General administration	4,889	-	-	-
School administration	52,366	54,418	71,000	(16,582)
Total Expenditures	$ 807,997	$ 1,057,274	$ 1,263,800	$ (206,526)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,292,003	$ 1,509,521		
UNENCUMBERED CASH - BEGINNING	1,378,690	2,670,693		
UNENCUMBERED CASH - ENDING	$ 2,670,693	$ 4,180,214		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
AT-RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Source - Other	$ -	$ 3,688	$ -	$ 3,688
Transfers in	10,532,817	11,675,063	11,899,387	(224,324)
Total Cash Receipts	$ 10,532,817	$ 11,678,751	$ 11,899,387	$ (220,636)
EXPENDITURES				
Instruction	$ 9,426,579	$ 10,439,049	$ 18,840,100	$ (8,401,051)
Student support services	714,728	112,783	791,000	(678,217)
Instructional support services	87,057	1,537,766	96,500	1,441,266
School administration	-	6,127	-	6,127
Student transportation	-	-	50,000	(50,000)
Total Expenditures	$ 10,228,364	$ 12,095,725	$ 19,777,600	$ (7,681,875)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 304,453	$ (416,974)		
UNENCUMBERED CASH - BEGINNING	13,225,697	13,530,150		
UNENCUMBERED CASH - ENDING	$ 13,530,150	$ 13,113,176		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 1,000,000	$ 1,000,000	$ 750,000	$ 250,000
Transfers in	1,950,973	2,003,169	1,924,800	78,369
Total Cash Receipts	$ 2,950,973	$ 3,003,169	$ 2,674,800	$ 328,369
EXPENDITURES				
Instruction	$ 2,400,430	$ 2,589,508	$ 3,061,300	$ (471,792)
Student support services	-	-	100	(100)
Instructional support services	49,214	45,966	60,715	(14,749)
Student transportation services	14,432	57,977	21,500	36,477
Total Expenditures	$ 2,464,076	$ 2,693,451	$ 3,143,615	$ (450,164)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 486,897	$ 309,718		
UNENCUMBERED CASH - BEGINNING	2,031,668	2,518,565		
UNENCUMBERED CASH - ENDING	$ 2,518,565	$ 2,828,283		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Transfers in	$ 100,000	$ 200,000	$ 100,000	$ 100,000
EXPENDITURES				
Instruction	$ 40,600	$ 32,190	$ 100,000	$ (67,810)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 59,400	$ 167,810		
UNENCUMBERED CASH - BEGINNING	250,231	309,631		
UNENCUMBERED CASH - ENDING	$ 309,631	$ 477,441		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Taxes and Shared Revenues				
Ad valorem taxes	$ 2,107,122	$ 1,893,526	$ 2,153,818	$ (260,292)
Delinquent tax	29,265	35,115	40,674	(5,559)
Interest on idle funds	4,806,040	4,760,641	4,000,000	760,641
Other	-	8,746,652	5,000,000	3,746,652
Motor vehicle taxes	203,002	228,590	201,673	26,917
State aid	1,991,539	2,161,590	2,187,771	(26,181)
Federal aid	9,773,787	1,000,000	10,675,000	(9,675,000)
Miscellaneous	39,815	1,400	-	1,400
Total Cash Receipts	$ 18,950,570	$ 18,827,514	$ 24,258,936	$ (5,431,422)
EXPENDITURES				
Instruction	$ 98,126	$ 221,347	$ 758,000	$ (536,653)
Student support services	15,908	-	25,000	(25,000)
Central services	-	-	350,000	(350,000)
Operations and maintenance	7,416,300	8,696,197	16,399,325	(7,703,128)
Student transportation	392,762	178,026	-	178,026
Facility acquisition and construction	-	2,510,613	10,300,000	(7,789,387)
Debt services	6,408,791	4,492,953	4,492,963	(10)
Total Expenditures	$ 14,331,887	$ 16,099,136	$ 32,325,288	$ (16,226,152)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4,618,683	$ 2,728,378		
UNENCUMBERED CASH - BEGINNING	8,422,072	13,040,755		
UNENCUMBERED CASH - ENDING	$ 13,040,755	$ 15,769,133		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local source				
Other	$ -	$ -	$ 30,000	$ (30,000)
State aid	14,645	16,675	16,200	475
Charges for services	23,200	24,075	-	24,075
Total Cash Receipts	$ 37,845	$ 40,750	$ 46,200	$ (5,450)
EXPENDITURES				
Instruction	$ 52,602	$ 43,388	$ 65,000	$ (21,612)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (14,757)	$ (2,638)		
UNENCUMBERED CASH - BEGINNING	45,842	31,085		
UNENCUMBERED CASH - ENDING	$ 31,085	$ 28,447		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2025

	2024 Actual	2025 Actual
CASH RECEIPTS		
Transfers in	$ 500,000	$ 500,000
EXPENDITURES		
Capital outlay	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 500,000	$ 500,000
UNENCUMBERED CASH - BEGINNING	3,100,000	3,600,000
UNENCUMBERED CASH - ENDING	$ 3,600,000	$ 4,100,000

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Federal aid	$ 3,188,701	$ 3,106,265	$ 3,434,928	$ (328,663)
State aid	26,276	-	29,720	(29,720)
Charges for services	768,723	826,043	929,545	(103,502)
Interest on idle funds	7,201	4,723	20,000	(15,277)
Total Cash Receipts	$ 3,990,901	$ 3,937,031	$ 4,414,193	$ (477,162)
EXPENDITURES				
Instruction	$ 322	$ -	$ -	$ -
Food service operation	4,089,407	4,214,861	4,910,000	(695,139)
Operations and maintenance	302,080	402,876	428,200	(25,324)
Total Expenditures	$ 4,391,809	$ 4,617,737	$ 5,338,200	$ (720,463)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (400,908)	$ (680,706)		
UNENCUMBERED CASH - BEGINNING	2,345,339	1,944,431		
UNENCUMBERED CASH - ENDING	$ 1,944,431	$ 1,263,725		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Reimbursements	$ 4,728	$ 166	$ -	$ 166
Other	400,000	500,000	500,000	-
State aid	46,291	48,943	100,810	(51,867)
Transfers in	100,000	292,138	250,000	42,138
Total Cash Receipts	$ 551,019	$ 841,247	$ 850,810	$ (9,563)
EXPENDITURES				
Instruction	$ 751	$ 212,194	$ -	$ 212,194
Student support services	105	-	-	-
Central services	-	-	25	(25)
Instructional support	252,110	109,782	904,000	(794,218)
Operations and maintenance	-	1,653	-	1,653
Total Expenditures	$ 252,966	$ 323,629	$ 904,025	$ (580,396)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 298,053	$ 517,618		
UNENCUMBERED CASH - BEGINNING	340,211	638,264		
UNENCUMBERED CASH - ENDING	$ 638,264	$ 1,155,882		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
PARENT EDUCATION PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
State aid	$ 143,885	$ 143,890	$ 143,885	$ 5
Transfers in	70,000	75,000	70,000	5,000
Total Cash Receipts	$ 213,885	$ 218,890	$ 213,885	$ 5,005
EXPENDITURES				
Instruction	$ 5,110	$ 4,482	$ -	$ 4,482
Student support services	209,143	207,565	215,828	(8,263)
Instructional support staff	1,576	3,463	-	3,463
School Administration	-	232	-	232
Central Services	-	85	-	85
Total Expenditures	$ 215,829	$ 215,827	$ 215,828	$ (1)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,944)	$ 3,063		
UNENCUMBERED CASH - BEGINNING	101,100	99,156		
UNENCUMBERED CASH - ENDING	$ 99,156	$ 102,219		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Transfers in	$ 15,075,445	$ 17,615,799	$ 17,292,412	$ 323,387
Federal aid	4,274,830	3,661,554	5,305,000	(1,643,446)
Local sources - Reimbursed expenditures	1,500,000	1,000	-	1,000
Local sources - Other	14,521	2,828	2,500,000	(2,497,172)
Total Cash Receipts	$ 20,864,796	$ 21,281,181	$ 25,097,412	$ (3,816,231)
EXPENDITURES				
Instruction	$ 13,724,896	$ 14,079,970	$ 15,909,850	$ (1,829,880)
Student support services	3,592,265	3,700,237	4,210,000	(509,763)
Instructional support services	101,988	106,513	112,894	(6,381)
General administration	483,501	591,430	570,857	20,573
School administration	115,090	92,635	155,599	(62,964)
Student transportation services	1,612,014	1,960,553	1,838,844	121,709
Central services	-	4,330	-	4,330
Other services	4,043	88	9,483	(9,395)
Total Expenditures	$ 19,633,797	$ 20,535,756	$ 22,807,527	$ (2,271,771)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 1,230,999	$ 745,425		
UNENCUMBERED CASH - BEGINNING	699,363	1,930,362		
UNENCUMBERED CASH - ENDING	$ 1,930,362	$ 2,675,787		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Federal aid	$ -	$ -	$ 136,000	$ (136,000)
Other	500,500	502,950	-	502,950
Transfers in	1,450,000	2,070,000	2,076,066	(6,066)
Total Cash Receipts	$ 1,950,500	$ 2,572,950	$ 2,212,066	$ 360,884
EXPENDITURES				
Instruction	$ 1,417,843	$ 1,467,559	$ 1,912,649	$ (445,090)
Instructional support services	7,843	5,672	29,000	(23,328)
School administration	80,330	125,353	125,750	(397)
Other support services	1,635	755	2,000	(1,245)
Total Expenditures	$ 1,507,651	$ 1,599,339	$ 2,069,399	$ (470,060)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 442,849	$ 973,611		
UNENCUMBERED CASH - BEGINNING	1,309,116	1,751,965		
UNENCUMBERED CASH - ENDING	$ 1,751,965	$ 2,725,576		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
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

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
State aid	$ 8,341,497	$ 8,051,543	$ 9,342,477	$ (1,290,934)
EXPENDITURES				
Instruction	$ 5,543,902	$ 5,351,195	$ 6,155,535	$ (804,340)
Student support services	969,817	936,103	1,083,727	(147,624)
Instructional support staff	518,347	500,330	579,234	(78,904)
General administration	162,353	156,701	177,507	(20,806)
School administration	665,365	642,234	747,398	(105,164)
Central services	295,610	285,335	373,699	(88,364)
Operations and maintenance	27,673	26,775	28,027	(1,252)
Student transportation	9,078	8,707	10,500	(1,793)
On-behalf payments	149,352	144,163	186,850	(42,687)
Total Expenditures	$ 8,341,497	$ 8,051,543	$ 9,342,477	$ (1,290,934)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	2024 Actual	2025 Actual
CASH RECEIPTS		
Transfer In	$ -	$ 750,000
Charges for services	5,214	10,172
Total Receipts	$ 5,214	$ 760,172
EXPENDITURES		
Instruction	$ 51,945	$ 361,266
Instructional support service	-	6,059
Total Expenditures	$ 51,945	$ 367,325
RECEIPTS OVER (UNDER) EXPENDITURES	$ (46,731)	$ 392,847
UNENCUMBERED CASH - BEGINNING	1,327,928	1,281,197
UNENCUMBERED CASH - ENDING	$ 1,281,197	$ 1,674,044

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Safe Schools	Title I	Title I Carryover	Title I Delinquent	Carl Perkins	Homeless	Title II-A Teacher Quality
CASH RECEIPTS							
State Sources							
Other	$ 107,943	$ -	$ -	$ -	$ -	$ -	$ -
Federal Sources							
Federal aid	-	1,656,209	300,182	18,891	121,759	45,312	283,364
Total Cash Receipts	$ 107,943	$ 1,656,209	$ 300,182	$ 18,891	$ 121,759	$ 45,312	$ 283,364
EXPENDITURES							
Instruction	$ -	$ 1,102,160	$ 196,044	$ (499)	$ 133,903	$ 941	$ 1
Student support services	-	88,944	25,056	4,311	-	43,409	-
Instructional support staff	-	193,094	38,355	-	14,565	2,723	280,542
General administration	-	16,541	5,962	-	-	-	-
School administration	-	70,478	34,886	-	-	-	-
Student transportation	-	-	-	-	-	18,458	-
Operations and maintenance	107,943	-	-	-	-	-	-
Other support services	-	-	-	-	3	-	-
Total Expenditures	$ 107,943	$ 1,471,217	$ 300,303	$ 3,812	$ 148,471	$ 65,531	$ 280,543
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 184,992	$ (121)	$ 15,079	$ (26,712)	$ (20,219)	$ 2,821
UNENCUMBERED CASH - BEGINNING	-	(807,391)	121	(7,283)	(61,654)	3,667	(100,531)
UNENCUMBERED CASH - ENDING	$ -	$ (622,399)	$ -	$ 7,796	$ (88,366)	$ (16,552)	$ (97,710)

(Continued)

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2025

	ESSER II	Section 373	Title III English Lang. Acquisition	KDHE-ARP	OLDCC	Connection Project	Title IV-A Safe and Drug Free
CASH RECEIPTS							
Federal Sources							
Federal aid	$ -	$ 1,912,062	$ 53,789	$ 174,836	$ 7,461,634	$ -	$ 156,464
EXPENDITURES							
Instruction	$ -	$ 1,559,145	$ 54,071	$ -	$ 358,297	$ -	$ 90,568
Student support services	-	30,184	-	101,623	-	-	42,705
Instructional support staff	-	13,378	-	-	-	-	-
Central Services	-	275,891	-	-	-	-	-
Operations and maintenance	-	-	-	-	12,880	-	-
Facility acquisition and construction	-	-	-	-	2,403,145	-	-
Total Expenditures	$ -	$ 1,878,598	$ 54,071	$ 101,623	$ 2,774,322	$ -	$ 133,273
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 33,464	$ (282)	$ 73,213	$ 4,687,312	$ -	$ 23,191
UNENCUMBERED CASH - BEGINNING	-	(51,950)	-	(45,971)	(6,345,150)	-	(57,470)
UNENCUMBERED CASH - ENDING	$ -	$ (18,486)	$ (282)	$ 27,242	$ (1,657,838)	$ -	$ (34,279)

(Continued)

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2025

	Gifts & Grants	Army Daycare	21st Century	Pre-K Pilot	Heavily Impact Aid	ESSER	M Vento ARP
CASH RECEIPTS							
Local Sources							
Other	$ 41,551	$ -	$ -	$ -	$ -	$ -	$ -
Reimbursed expenditures	10	-	20	-	-	-	-
State Sources							
Other	69,374	-	-	291,320	-	-	-
Federal Sources							
Federal aid	-	-	549,822	293,199	8,172,161	-	21,576
Total Cash Receipts	$ 110,935	$ -	$ 549,842	$ 584,519	$ 8,172,161	$ -	$ 21,576
EXPENDITURES							
Instruction	$ 88,216	$ 165,083	460,826	$ 564,388	$ -	$ -	$ 22
Student support services	82,086	-	84	-	-	-	5,041
Instructional support staff	-	-	63,022	-	-	-	-
General administration	-	-	24,057	-	-	-	-
Central services	1,163	11,043	-	-	-	-	-
Student transportation	-	-	14,096	-	-	-	-
Operations and maintenance	-	(16,100)	-	-	-	-	-
Food service	1,321	-	-	-	-	-	-
Transfers out	-	-	-	-	2,000,000	-	-
Total Expenditures	$ 172,786	$ 160,026	$ 562,085	$ 564,388	$ 2,000,000	$ -	$ 5,063
RECEIPTS OVER (UNDER) EXPENDITURES	$ (61,851)	$ (160,026)	$ (12,243)	$ 20,131	$ 6,172,161	$ -	$ 16,513
UNENCUMBERED CASH - BEGINNING	28,165	160,026	(176,041)	(110,206)	105,063,565	-	(16,513)
UNENCUMBERED CASH - ENDING	$ (33,686)	$ -	$ (188,284)	$ (90,075)	$ 111,235,726	$ -	$ -

(Continued)

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
GRANTS FUND
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2025

	AYPYN	After School	Immigrant Award	DoDEA IPS	ESSER III	TOTALS
CASH RECEIPTS						
Local Sources						
Other	$ -	$ -	$ -	$ -	$ -	$ 41,551
Reimbursed Expenditures	-	-	-	-	-	30
Interest on idle funds	-	-	1,236,944	-	-	1,236,944
State Sources						
Other	-	-	-	-	-	468,637
Federal Sources						
Federal aid	100,000	34,000	-	400,041	5,871,195	27,626,496
Total Cash Receipts	$ 100,000	$ 34,000	$ 1,236,944	$ 400,041	$ 5,871,195	$ 29,373,658
EXPENDITURES						
Instruction	$ 77,312	$ 54,765	$ -	$ 402,095	$ 1,915,999	$ 7,146,025
Student support services	-	-	-	-	6,837	430,280
Instructional support staff	-	7,402	-	38,242	1,460,934	2,112,257
General administration	-	-	-	-	13,242	59,802
School administration	-	-	-	-	819,040	924,404
Central services	-	-	-	-	-	288,097
Student transportation	-	(322)	-	-	41,289	73,521
Operations and maintenance	-	-	-	-	-	104,723
Other support service	-	-	-	-	-	3
Food service	-	-	-	-	-	1,321
Facility acquisition and construction	-	-	9,518,851	-	-	11,921,996
Transfers out	-	-	-	-	-	2,000,000
Total Expenditures	$ 77,312	$ 61,845	$ 9,518,851	$ 440,337	$ 4,257,341	$ 25,139,741
RECEIPTS OVER (UNDER) EXPENDITURES	$ 22,688	$ (27,845)	$ (8,281,907)	$ (40,296)	$ 1,613,854	$ 4,233,917
UNENCUMBERED CASH - BEGINNING	-	-	30,303,304	(17,350)	(1,613,854)	126,147,484
UNENCUMBERED CASH - ENDING	$ 22,688	$ (27,845)	$ 22,021,397	$ (57,646)	$ -	$ 130,381,401

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Ad valorem taxes	$ 1,215,828	$ 493,639	$ 596,559	$ (102,920)
Delinquent	15,923	18,161	23,776	(5,615)
Motor vehicle tax	97,429	85,472	71,898	13,574
Other	-	-	3,840,000	(3,840,000)
In Lieu of Taxes	9,372	-	-	-
State aid	2,039,159	1,921,259	1,921,259	-
Transfers in	2,000,000	2,000,000	-	2,000,000
Total Cash Receipts	$ 5,377,711	$ 4,518,531	$ 6,453,492	$ (1,934,961)
EXPENDITURES				
Interest and other charges	$ 2,208,559	$ 2,776,307	$ 2,780,806	$ (4,499)
Principal	2,765,000	2,150,000	2,150,000	-
Total Expenditures	$ 4,973,559	$ 4,926,307	$ 4,930,806	$ (4,499)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 404,152	$ (407,776)		
UNENCUMBERED CASH - BEGINNING	249,396	653,548		
UNENCUMBERED CASH - ENDING	$ 653,548	$ 245,772		

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
CONSTRUCTION BOND FINANCE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2025
With Comparative Actual Totals For The Prior Year Ended June 30, 2024

	2024 Actual	2025 Actual
CASH RECEIPTS		
Federal aid	$ -	$ -
Bond proceeds	-	-
Interest on idle funds	-	-
Total Cash Receipts	$ -	$ -
EXPENDITURES		
Capital outlay	$ -	$ 3,000
Construction costs	-	-
Total Expenditures	$ -	$ 3,000
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (3,000)
UNENCUMBERED CASH - BEGINNING	20,500	20,500
UNENCUMBERED CASH - ENDING	$ 20,500	$ 17,500

UNIFIED SCHOOL DISTRICT NO. 475
AGENCY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance
Elementary Schools				
Eisenhower Elementary	$ 7,782	$ 8,069	$ 5,822	$ 10,029
Fort Riley Elementary School	14,752	26,127	26,584	14,295
Grandview Elementary School	17,358	3,936	2,566	18,728
Lincoln Elementary School	22,674	15,702	13,562	24,814
Milford Elementary School	6,071	4,665	5,376	5,360
Morris Hill Elementary	11,323	4,096	7,232	8,187
Seitz Elementary School	16,251	32,343	26,630	21,964
Sheridan Elementary School	13,766	6,686	7,310	13,142
Spring Valley Elementary School	25,973	6,551	2,868	29,656
Ware Elementary School	15,908	17,234	23,261	9,881
Washington Elementary School	4,891	8,586	8,638	4,839
Westwood Elementary	20,634	11,024	6,159	25,499
Early Childhood Family Network	13,368	6,698	1,543	18,523
Total Elementary Schools	$ 190,751	$ 151,717	$ 137,551	$ 204,917
Middle Schools				
Junction City Middle School	$ 30,244	$ 28,446	$ 23,585	$ 35,105
Fort Riley Middle School	28,214	37,063	36,614	28,663
Total Middle Schools	$ 58,458	$ 65,509	$ 60,199	$ 63,768
High School Funds				
Junction City High School	$ 264,392	$ 359,279	$ 353,899	$ 269,772
Larry Dixon Center for Innovative Studies	5,120	998	598	5,520
Total High School Funds	$ 269,512	$ 360,277	$ 354,497	$ 275,292
Devin Center Textbook Fund	$ 1,154	$ 808	$ 1,036	$ 926
Fort Riley Project	$ 65,764,491	$ 37,623,973	$ 44,473,805	$ 58,914,659
TOTAL AGENCY FUNDS	$ 66,284,366	$ 38,202,284	$ 45,027,088	$ 59,459,562

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
DISTRICT ACTIVITY FUNDS
Regulatory Basis
For the Year Ended June 30, 2025

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance
Junction City High School				
Athletics Gate Receipts	$ 22,935	$ 252,443	$ 264,808	$ 10,570
Special Projects	56,839	124,222	115,831	65,230
Total Junction City High School	$ 79,774	$ 376,665	$ 380,639	$ 75,800
Junction City Middle School				
Athletics Gate Receipts	$ 9,650	$ 99,475	$ 89,363	$ 19,762
Special Projects	254	1,000	448	806
Total Junction City Middle School	$ 9,904	$ 100,475	$ 89,811	$ 20,568
Fort Riley Middle School				
Special Projects	$ 10,683	$ 76,075	$ 72,030	$ 14,728
TOTAL DISTRICT ACTIVITY FUNDS	$ 100,361	$ 553,215	$ 542,480	$ 111,096

VARNEY
& ASSOCIATES, CPAs, LLC

November 25, 2025

Board of Education
Unified School District No. 475
Junction City, Kansas

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance With *Government Auditing Standards*

We have audited, in accordance with 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, the financial statement of Unified School District No. 475 (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 November 25, 2025.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

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

Purpose of this Report

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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

November 25, 2025

Board of Education
Unified School District No. 475
Junction City, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance In Accordance With the Uniform Guidance

Unmodified Opinions

We have audited Unified School District No. 475's (the District), 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 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 Unmodified Opinions

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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Auditor's Responsibilities for the Audit of Compliance (continued)

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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 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 Uniform Guidance. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Award Expenditures
U.S. Department of Education			
Direct U.S. Department of Education			
Impact Aid	84.041	N/A	$ 13,840,134
Passed through Kansas Department of Education			
Special Education (IDEA) Cluster			
Title VI - Special Education	84.027	DO475	$ 1,960,723
Special Education - Early Childhood	84.173	DO475	60,331
Subtotal IDEA Cluster			$ 2,021,054
Title I Grants to Local Educational Agencies	84.010	DO475	1,775,332
Vocational Education Basic Grants to State	84.048	DO475	148,470
Education for Homeless Children and Youth	84.196A	DO475	65,532
Title IV 21st Century Community Learning Center	84.287	DO475	623,930
Title III English Language Acquisition	84.365	DO475	54,071
Title II-A Teacher Quality	84.367	DO475	280,542
ESSA Student Support Enrichment	84.424	DO475	133,273
COVID-19 - Emergency and Secondary School Emergency Relief III	84.425U	DO475	4,257,340
COVID-19 - Emergency and Secondary School Emergency Relief - ARP	84.425W	DO475	5,063
Passed through Kansas Department of Health & Environment			
Special Education - Grants for Infants and Families	84.181A	DO475	83,997
Total U.S. Department of Education			$ 23,288,738
U.S. Department of Defense			
Direct Programs:			
The Connection Project	12.556	N/A	$ 517,649
Section 7703 of 20 U.S.C. - Impact Aid	12.558	N/A	1,878,598
Community Investment	12.600	N/A	2,774,321
Total U.S. Department of Defense			$ 5,170,568
U.S. Department of Agriculture			
Passed through State Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	DO475	$ 663,506
National School Lunch Program	10.555	DO475	2,131,774
Cash for Commodities	10.559	DO475	196,437
Subtotal Child Nutrition Cluster			$ 2,991,717
Fresh Fruit and Vegetable Program	10.582	DO475	79,939
Total U.S. Department of Agriculture			$ 3,071,656
U.S. Department of Health and Human Services			
Passed through State Department of Education			
COVID-19 KDHE K-12 COVID Testing Grant	93.323	DO475	$ 101,622
Temporary Assistance for Needy Families	93.558	DO475	564,388
Total U.S. Department of Health and Human Services			$ 666,010
TOTAL FEDERAL EXPENDITURES			$ 32,196,972

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2025

Note 1: Organization

Unified School District No. 475, Junction City, 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.

Note 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 statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 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.

Note 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 at June 30, 2025.

Note 5: Outstanding Loans

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

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2025

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Reportable conditions identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statement noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Reportable conditions identified 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)?	___ Yes	X No

Identification of major programs:

Name of Federal program	CFDA Number
Impact Aid	84.041
Special Education (IDEA Cluster)	84.027
Special Education - Early Childhood (IDEA Cluster)	84.173

Dollar threshold used to distinguish between Type A and Type B programs:	$ 976,777	
Auditee qualified as a low-risk auditee?	___ Yes	X No

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.